FRANCHISE DISCLOSURE DOCUMENT

Sylvan Learning, LLC,
a Delaware limited liability company
2350 Airport Freeway, Suite 505,
Bedford, TX 76022
888.338.2283
sylvanfd@unleashedbrands.com
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, SYLVANSYNC, 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 $~~107,922~~117,600 to $~~239,012~~288,400. This includes $~~46,900~~56,900 to $~~51,900~~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 $~~140,322~~163,310 to $~~299,412~~246,500. This includes $~~78,800~~99,110 to $~~110,300~~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 ~~Josh Barker, Senior Vice President, Franchise Recruitment~~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 ~~14~~24, ~~2025~~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 C 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 Sylvan Learning business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Sylvan Learning franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration 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.

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.

NOTICE REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to: Michigan Department of ~~the~~ Attorney General, ~~Consumer Protection~~Corporate Oversight Division~~, 670 Law Building~~ – Franchise Section, 525 ~~West~~W. Ottawa Street, G. Mennen Williams Building, 5th Floor, Lansing, Michigan ~~48933~~48913, 517-335-7622.

*** NOTE: NOTWITHSTANDING PARAGRAPH (f) ABOVE, WE INTEND TO, AND YOU AGREE THAT WE AND YOU WILL, ENFORCE FULLY THE PROVISIONS OF THE ARBITRATION SECTION OF OUR AGREEMENTS. WE BELIEVE THAT PARAGRAPH (f) IS UNCONSTITUTIONAL AND CANNOT PRECLUDE US FROM ENFORCING THE ARBITRATION PROVISIONS**.

SYLVAN LEARNING
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

ITEM	Page
Item 1: The Franchisor And Any Parents, Predecessors And Affiliates	1
Item 2: Business Experience	5
Item 3: Litigation	7
Item 4: Bankruptcy	7
Item 5: Initial Fees	9
Item 6: Other Fees	10
Item 7: Estimated Initial Investment	~~17~~18
Item 8: Restrictions On Sources Of Products And Services	22
Item 9: Franchisee's Obligations	22
Item 10: Financing	27
Item 11: Franchisor's Assistance, Advertising, Computer Systems, And Training	27
Item 12: Territory	~~37~~38
Item 13: Trademarks	39
Item 14: Patents, Copyrights, And Proprietary Information	45
Item 15: Obligation To Participate In The Actual Operation Of The Franchise Business	46
Item 16: Restrictions On What The Franchisee May Sell	~~48~~49
Item 17: Renewal, Termination, Transfer And Dispute Resolution	~~50~~51
Item 18: Public Figures	~~59~~61
Item 19: Financial Performance Representations	~~59~~61
Item 20: Outlets And Franchisee Information	~~62~~65
Item 21: Financial Statements	~~72~~75
Item 22: Contracts	~~72~~75
Item 23: Receipts	~~72~~75

STATE-SPECIFIC APPENDIX

EXHIBITS

Exhibit A	Operations Manual Table of Contents
Exhibit B	List of State Administrators and Agents for Service of Process
Exhibit C	Financial Statements
Exhibit D	Franchises in Operation, Franchisees Who Have Signed But Not Yet Opened, Franchisees Who Have Left the System, and Affiliate-Owned Locations
Exhibit E	Franchise Agreement, Attachments, and State-Specific Amendments
Exhibit F	Development Agreement, Attachments, and State Specific Amendments
Exhibit G	Sample Form of General Release
Exhibit H	Sample Form Assignment and Assumption Agreement
Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	State Effective Dates
Exhibit K	Receipts

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

To simplify the language of this disclosure document, "Sylvan," "Sylvan Learning," "us" or "we" means Sylvan Learning, LLC, the franchisor. "You" means the person, corporation, partnership, or other entity who buys the franchise. We use "corporation" to refer to any of a corporation, partnership or limited liability company, and "shareholder" to refer to any of a shareholder, partner, or member. We call our franchise agreement the "Franchise Agreement" and we call our franchisees "franchisees." We use both the "franchisee" and "licensee" terms interchangeably throughout this disclosure document.

THE FRANCHISOR, OUR PARENTS AND OUR AFFILIATES

Sylvan Learning, LLC is a Delaware limited liability company converted from Sylvan Learning, Inc. on June 18, 2015. We do business under our legal name, and as Sylvan Learning, SylvanSync, and Sylvan. Our principal business address is 2350 Airport Freeway, Suite 505, Bedford, TX 76022. Our agents for service of process are disclosed in Exhibit B.

Sylvan began offering Sylvan franchises in June 2003 as Sylvan Learning, Inc. Sylvan's predecessors operated or offered licenses under the Sylvan System from February 1979 to June 2003, as follows: Sylvan Learning Corporation, an Oregon corporation (February 1979 until March 1984), which merged into Sylvan Learning Corporation, a Washington corporation (March 1984 until May 1985), which merged into Sylvan Learning Corporation, a Delaware corporation (May 1985 to February 1991), which entered into a general partnership with KEE Incorporated to form Sylvan KEE Systems (February 1991 to January 1993). KEE Incorporated acquired Sylvan KEE Systems in January 1993 after the partnership dissolved, and changed its name to Sylvan KEE Systems, Inc. On September 2, 1993, Sylvan KEE Systems, Inc. changed its name to Sylvan Learning Systems, Inc. Sylvan Learning, ~~LLC~~Inc. acquired substantially all of our assets from Sylvan Learning Systems, Inc. on June 30, 2003. From June 30, 2003 to June 18, 2015, we were a Delaware corporation known as Sylvan Learning, Inc.

On February 16, 2024, we became a wholly owned subsidiary of Unleashed Brands, LLC ("Unleashed Brands"). Unleashed Brands' parent company is Leviathan Intermediate Holdco, LLC, which is owned by UA Holdings, LLC ("UA Holdings"), which guarantees our performance of obligations under the Franchise Agreement and Development Agreement. Unleashed Brands Foundation, the charitable affiliate of Unleashed Brands, is a Texas based nonprofit corporation which conducts certain charitable activities. Unleashed Brands, Leviathan Intermediate Holdco, LLC, Unleashed Brands Foundation, and UA Holdings share a principal business address at 2350 Airport Freeway, Suite 505, Bedford, Texas 76022.

Our direct and indirect subsidiaries include Educate Corporate Centers Holdings, LLC ("ECCH"), and Sylvan In-Home, LLC ("SIH"). SIH operates an online marketplace described below as mySylvan Marketplace+. ECCH and SIH have not offered nor offer franchises in any lines of business. The principal business address of each of the entities above is 2350 Airport Freeway, Suite 505, Bedford, TX 76022.

~~ECCH and SIH~~We have ~~not~~never offered ~~nor offer~~ franchises in any ~~lines~~other line of business. However, ~~we have~~our affiliates ~~that~~listed below offer franchises in other lines of business but have never operated a Sylvan Learning center. All of the affiliates listed below share a principal business address at 2350 Airport Freeway, Suite 505, Bedford, Texas 76022:

- UATP Management, LLC ("UATP") offers URBAN AIR ADVENTURE PARK franchises, which are venues for recreational activities, birthday parties, and other group events featuring the Adventure Park Attraction package. UATP began offering franchises in May 2013 and had ~~193~~202 franchises as of December 31, ~~2024~~2025. UATP Canada Franchising, Ltd., a British Columbia corporation, offers these franchises in Canada.

- TLGI, LLC (formerly The Little Gym International, Inc., "TLGI") offers THE LITTLE GYM

franchises which provide physical fitness, recreational gymnastics, motor skills development, and other programs for children under The Little Gym name and trademarks. TLGI began offering franchises in September 1992 and had ~~218~~255 franchises as of December 31, ~~2024~~2025.

- Snapology, LLC ("Snapology") offers SNAPOLOGY franchises, which provide curriculum-based courses, events and hands-on learning experiences using LEGO® brand bricks, K'Nex® brand toys, and other building toys, robotics, animation, coding and engineering techniques. Snapology began offering franchises in March 2015 and had ~~120~~129 franchises as of December 31, ~~2024~~2025. Snapology International, LLC, a Pennsylvania limited liability company, offers these franchises outside of the USA. Our affiliate Snapology IP, LLC is the owner of certain trademarks and intellectual property associated with the SNAPOLOGY franchises.

- Premier Franchising Group, LLC ("PMA") offers PREMIER MARTIAL ARTS franchises, which are martial arts studios for self-defense and character development. PMA began offering franchises in April 2018 and had ~~165~~127 franchises as of December 31, ~~2024~~2025. Our affiliate PMA IP, LLC is the owner of certain trademarks and intellectual property associated with the PREMIER MARTIAL ARTS franchises.

- Class 101 Franchise, LLC ("Class 101") offers CLASS 101 franchises, which provide advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college. On April 11, 2022, Class 101 acquired the assets of Class 101, Inc., which began offering franchising in June 2007 and has ~~69~~85 franchises as of December 31, ~~2024~~2025. Our affiliate Class 101 Franchise IP, LLC is the owner of certain trademarks and intellectual property associated with CLASS 101 franchises.

- ~~XP League Franchise, LLC ("XP League") offers eSports league franchises which follows traditional youth sports formats delivering values and life skills learned in coach-led athletics in an esports format, for elementary and middle school aged children, under the trademark XP League. On April 21, 2022, XPL acquired certain assets of XP League, LLC, which began offering franchises in August 2020, and had 40 franchises as of December 31, 2024.~~

- WW Franchise, LLC ("~~WW~~Water Wings") offers WATER WINGS SWIM SCHOOL franchises which operate a year-round indoor swim school that offers swim lessons, hosts athletic events and competitions, and other swimming related programs for children and adults. ~~WW started~~Water Wings began offering franchises in April 2025~~,~~ and ~~therefore did not have any franchises in 2024~~had no franchisees as of December 31, 2025.

- Unleashed Services, LLC ("Unleashed Services") is a Delaware limited liability company established on June 21, 2021. Unleashed Services offers executive management services to us and the Sylvan Learning franchise system, UATP, Snapology, TLGI, PMA, Class 101, and ~~WW~~Water Wings but it does not offer franchises in any line of business.

- Unleashed Tech, LLC ("Unleashed Tech") is a Delaware limited liability company established on February 24, 2025. Unleashed Tech provides certain point-of-sale and other technology services to us, UATP, Snapology, TLGI, PMA, Class 101, ~~XP League,~~ and Water Wings but does not offer franchises in any line of business.

- Unleashed GC, LLC ("Unleashed GC") is a Florida limited liability company established on September 10, 2025. Unleashed GC currently administers gift card sales to UATP and the Urban Air Adventure Park franchise system and anticipates it will administer gift card sales to us and the Sylvan Learning franchised system, Snapology, TLGI, PMA, Class 101, and Water Wings but does not offer franchises in any line of business.

You will not conduct business directly with UATP, TLGI, Snapology, PMA, Class 101, ~~XP League,~~ or ~~WW~~Water Wings (each an "Affiliated Brand"), unless you decide to co-brand with an Affiliated Brand.

If you decide to co-brand the premises of your Sylvan franchise with an Affiliated Brand, you will be offered a separate franchise disclosure document of your desired Affiliated Brand and will be required to sign a separate franchise agreement for that Affiliated Brand. Other than the above, we do not have any affiliates which offer or sell goods or services to our franchisees, and no other parent, predecessor, and affiliates offer franchises in this or any other lines of business.

THE SYLVAN LEARNING FRANCHISE PROGRAM

We offer franchises to 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 LEARNING trademarks and system. Your Sylvan Learning franchise will include the right to operate several types of Sylvan programs, including but not limited to SylvanSync, Sylvan Edge, ACE IT!, and any other Sylvan systems we develop from time-to-time for retail customers, and in limited circumstances with our prior written approval, to institutional customers.

You will operate your Center according to the terms and conditions of our standard Franchise Agreement ("Franchise Agreement," see Exhibit E) and our operational standards, specifications, policies, and procedures, which we will communicate to you through our confidential operations manual, newsletter, and other written directives (collectively, our "Manual"). As a franchisee, you will have the right to use our proprietary business format and system ("System") and to do business under the Sylvan Learning trademarks and service marks (collectively, the "Proprietary Marks"). "Franchised Business" refers to a franchisee's operation of a Center according to the Franchise Agreement.

Our System includes distinctive programs, interior and exterior design, décor, color scheme, graphics, fixtures, and furnishings ("Indicia"); our program curricula, in-person educational tutoring services in a variety of academic subjects, products, and merchandise, which incorporate Franchisor's Proprietary Marks, trade secrets, and other proprietary information ("Proprietary Services"); our operation and customer service standards and procedures, our advertising and marketing specifications and requirements, and our other standards, specifications, techniques, and procedures which we designate from time-to-time for developing, operating, and managing SYLVAN LEARNING® businesses ("Standards"); all of which we may change, improve, and additionally develop from time-to-time.

Each franchisee delivers the System within a primary Sylvan-branded brick-and-mortar Center in its territory (the "Primary Center"). In addition, if approved by Sylvan, each franchisee may offer the System, and other programs and services that Sylvan approves, outside of the Center to provide services at one or more additional approved short-term or permanent locations in its territory, such as community centers, libraries, schools, and short-term and/or small retail locations ("Satellites"). Further, franchisees may open additional retail Centers ("Additional Center") in their territories after their first Primary Center is fully and continuously operating, subject to Sylvan's approval. Primary Center, Additional ~~Center~~Centers, and Satellites are generally referred to as "Center."

DEVELOPMENT PROGRAM

Also, we may offer to enter into a development agreement (the "Development Agreement," Exhibit F to this disclosure document) with qualified legal entities ("Developers"), which grants the right to establish and operate up to three Sylvan Learning businesses in a specified area (the "Development Area") at specific locations that must be approved by us, each under a separate then-current franchise agreement. If we offer and you sign a Development Agreement, you will be required to open at least two Sylvan locations. Developers must open each Center in accordance with an agreed upon opening schedule (the "Development Schedule") included as Attachment B to the Development Agreement. You will execute your first Franchise Agreement when you execute the Development Agreement for your first location. When you are ready to open your second or third Franchised Business, you will be disclosed with the then-current franchise disclosure document and execute the then-current Franchise Agreement for each

additional Franchised Business. The development fee the Developer must pay under the Development Agreement is paid in a lump sum at the time of execution of the Development Agreement and is non-refundable in all events and includes the initial franchise fee payable by you for all the Franchise Agreements to be developed thereunder.

CURRENT SYLVAN PROGRAMS

As previously discussed, the Franchise Agreement includes the right to operate several current Sylvan Learning programs listed below, as well as the right to offer any other programs developed and required by Sylvan in the future.

SylvanSync

"SylvanSync" describes the proprietary technology, digital assets, systems, business methods, techniques and methodologies that are designed to be used in connection with portable computer systems and the Internet to provide a digital learning environment incorporating assessment results, instruction, and the management of student educational programs to be delivered at locations within a defined geographical area.

Sylvan Edge

"Sylvan Edge" describes the robotics, computer programming, engineering, and mathematics learning programs offered to students at their Centers and at other approved locations in their territories. Sylvan Edge consists of teaching materials and guidelines; specifications for the technology needed to provide instruction in robotics, computer programming, engineering, and mathematics; a license to use certain Sylvan and third-party marks and trade dress; and other methods, techniques and know-how related to teaching the basic principles of robotics, computer programming, engineering, and mathematics to students. Courses offered under Sylvan Edge are personally taught by trained instructors and may be delivered at locations we approve in your territory (see Item 12), such as Centers and Satellites, as well as un-branded locations, such as schools and community centers.

ACE IT!

"ACE IT!" offers proprietary programs, systems, teaching and management techniques to provide academic programs to students under contracts funded by third parties, such as school districts, other government entities and not-for-profit organizations ("Third-Party Contracts"). In addition, with Sylvan's separate approval, you may provide ACE IT! via retail services that you offer directly to consumers. These programs, systems, teaching and management techniques are personally taught by trained instructors and may be delivered at locations we approve in your Territory, such as Centers and Satellites, as well as in un-branded locations, such as schools and community centers.

mySylvan Marketplace+

SIH operates an online marketplace that enables parents to seek in-person or virtual tutors in a designated geographic area who specialize in fields of study where their students may need additional assistance. At its inception in 2017, this marketplace ("Marketplace") was referred to as the Sylvan In-Home Tutoring Marketplace. As of the issuance date of this disclosure document, it is referred to as "mySylvan Marketplace+" or "mSMP+." Once a parent finds a tutor that fits the needs of his or her student, the Marketplace allows the tutor and parent to schedule tutoring sessions at a mutually convenient location, whether in-person or online, and facilitates online payment processing. As of the issuance date of this disclosure document, tutors visible to parents on the Marketplace are independent contractors of SIH and they pay a fee to SIH for the ability to be featured on the Marketplace. SIH tutors have the option to offer and deliver SylvanSync programs to students, though they are not required to do so. SIH reserves the right to modify elements of its business model, service terms, or terms of engagement with tutors from time to time. As of the issuance date of this disclosure document, ~~SIH is advertising~~ the Marketplace ~~across the United States, as the Marketplace~~ tutors are permitted to deliver virtual tutoring

to any student who does not live within fifty (50) miles of a Sylvan Learning Center that is not participating in the Marketplace offerings. SIH reserves the right to advertise the Marketplace and allow affiliated tutors to deliver services in franchised territories. Sylvan does not guarantee that it will continue to allow franchisee participation in the Marketplace beyond the pilot phase. Sylvan aims to roll out the Marketplace across the United States, and Sylvan anticipates making certain portions of the Marketplace available to all franchisees, pursuant to certain fees, training, and other requirements, as determined by SIH and Sylvan at their discretion. In particular, Sylvan contemplates enabling the customer self-service booking feature of the Marketplace for franchisees who choose to opt in, and providing those franchisees access to the tutors who provide services through the Marketplace. The in-person and online tutoring business which takes place through the Marketplace is not currently part of a franchisee's Franchised Business; however, upon Franchisor's approval, a franchisee may enroll in this program separately. The mySylvan Marketplace Participation Agreement is attached to this disclosure document as Attachment K to the Franchise Agreement.

Bright Horizons

Sylvan entered into an agreement with Bright Horizons Family Solutions, LLC ("Bright Horizons") whereby Sylvan and its franchisees may deliver services to Bright Horizons' clients' employees as part of the Bright Horizons Back-Up Care Program. As of the date of this disclosure document, new franchisees are required to participate in the Bright Horizons program. The Bright Horizons Participation Agreement is attached to this disclosure document as Attachment J to the Franchise Agreement.

INDUSTRY-SPECIFIC LAWS AND REGULATIONS; MARKETPLACE AND COMPETITION

The market for the Sylvan franchise opportunities offered to you consists primarily of parents who wish to enhance their school-age children's academic performance and is not seasonal in nature except for summer programs and events associated with the school year. The market for the services and products offered by a Sylvan business is competitive and you will be competing with franchised and independently owned businesses and schools that offer a wide variety of children's enrichment and tutoring programs.

Some states may have laws or regulations that permit only a state-certified teacher to perform certain activities in your Franchised Business, or that may require a license for operating a Center or a Satellite.

In some states, a Sylvan Learning Center may be subject to licensing requirements or may be required to have a state-certified instructor as a director or on the premises when instruction is being offered. For instance, in Pennsylvania a Sylvan Learning Center is subject to regulations issued by the State Board of Private Academic Schools. These require private schools to apply to the Board for a license to operate. A school applying for a license must include with its application evidence that it has financial resources or forms of surety adequate to reimburse any unearned tuition in case it ceases to operate. Only teachers holding a valid Pennsylvania professional teacher certification may teach in a licensed private school. A Pennsylvania certified specialist in each subject must oversee the instructional process of that specialty area (Reading-certified for Reading programs, Math-certified for Math programs). Similar requirements may apply in your state.

Some states and local laws may regulate privacy, the membership contracts' length and terms including regulations related to auto-renewal notices, advertising, and limitations on pre-opening sales. You may be required to obtain a bond to protect pre-paid membership fees you collect and there may be buyer's remorse cancellation rights and other types of cancellation rights.

Sylvan franchisees compete with other supplemental instruction programs offered to school-age children and adults, through a variety of media as well as in association with public and private schools. Your ability to compete will depend on various factors, including the geographical area of your facility, your specific site location, general economic conditions, accessibility of your facility, and your particular capabilities.

ITEM 2: BUSINESS EXPERIENCE

SYLVAN LEARNING, LLC

Susan Valverde - President: Ms. Valverde is our President and has held that position since May 2024 in Bedford, Texas. From March 2017 to April 2024, served as our Chief Franchise Operations Officer in Towson, Maryland.

Kyle Martin - Chief Marketing Officer: Kyle Martin has been the UATP and our Chief Marketing Officer since March 2025 in Bedford, Texas. Previously, he served as the Managing Partner at HLN Consulting, LLC in Plano Texas from September 2019 to March 2025. He also served as the Senior Vice President of Brand Marketing and eCommerce from May 2024 to November 2024 and Vice President of eCommerce and Paid Media from September 2023 to July 2024 for Community Coffee in Frisco, Texas. From July 2020 to December 2021, Kyle was the Head of eCommerce at Factory, LLC in Dallas, Texas. From March 2019 to August 2019, he served as the eCommerce Lead, Emerging and Allied Brands at Keurig Dr Pepper Inc. in Plano, Texas.

UNLEASHED SERVICES

Michael Browning, Jr. – Chief Executive Officer: Michael Browning, Jr. has been the Chief Executive Officer of both Unleashed Brands and Unleashed Services since July 2021 in Bedford, Texas. He is one of co-founders of UATP and has served as UATP's Chief Executive Officer from its inception in May 2013 to June 2021 in Bedford, Texas. Michael also served as the Chief Executive Officer of UA Attractions, LLC from May 2018 to October 2021 in Bedford, Texas. ~~Previously, he served as the Manager of Southlake Urban Air, LLC from March 2011 to December 2018 in Southlake, Texas; Mansfield Urban Air, LLC from January 2013 to September 2020 in Mansfield, Texas; Frisco Urban Air, LLC from May 2013 to February 2019 in Frisco, Texas; Garland Urban Air, LLC from March 2015 to July 2020 in Garland, Texas; Coppell Urban Air, LLC from March 2015 to July 2020 in Coppell, Texas; and Fort Worth Urban Air, LLC since August 2016 in Bedford, Texas.~~

Stephen Polozola – ~~Special Counsel~~Chief Legal Officer: Stephen Polozola has served as ~~Special Counsel since January 1, 2025, and previously served as the~~ Chief Legal Officer ~~of Unleashed Services~~ since July 2021 ~~to December 2024~~ in Bedford, Texas. Stephen is one of the co-founders of UATP and has served as the Executive Vice President and General Counsel of UATP since its inception in May 2013 to June 2021 in Bedford, Texas. He has served as ~~Vice President~~Chief Legal Officer of UATP IP, LLC since October 2013 in Bedford, Texas. ~~Stephen has served as President of Adventis Insurance, Inc. since March 2020.~~

Joshua Wall, CFE – Chief Operating Officer: Josh Wall has served as the Chief Operating Officer since January 1, 2025, and previously served as the Chief Growth Officer of Unleashed Services since July 2021 in Bedford, Texas. From June 2019 to June 2021, Josh Wall served as UATP's Executive Vice President and Chief Franchise Officer in Bedford, Texas.

Mark McAndrew – General Counsel: Mark McAndrew has served as the General Counsel since January 1, 2025, and previously served as Deputy General Counsel of ~~Unleased~~Unleashed Services from January 2024 to December 2024 in Bedford, Texas. Previously, at McDonald's in Chicago, Illinois, he served in several positions from July 2013 to January 2024, the latest being Senior Counsel - Business Counsel/ Franchising.

Jon Shell – Chief Financial Officer: Jon Shell has served as the Chief Financial Officer at Unleashed Services since December 2, 2024 in Bedford, Texas. From September 2023 to July 2024, he was the Interim Chief Executive Officer and President for Neighborly in Waco, Texas. He also served as Chief

Financial Officer at Neighborly, and its subsidiaries and affiliates, from August 2015 to September 2023, and resumed that role from July 2024 to November 2024 in Waco, Texas.

Diane Sanford, SHRM-SCP – Chief People Officer: Diane Sanford has served as the Chief People Officer at Unleashed Services since March 2023 in Bedford, Texas. Previously, she was the Chief People Officer at Local Favorite Restaurants in Dallas, Texas from May 2022 to March 2023. Before this role, she served as the Chief People Officer at On the Border Mexican Grill & Cantina from December 2014 to April 2022 in Irving, Texas.

Ryan Slemons – Chief Development Officer: Ryan Slemons has served as the Chief Development Officer of Unleashed Services since April 2023 in Bedford, Texas. From July 2021 to April 2023, he served as Vice President, Global Real Estate and Development at Game Stop in Dallas, Texas. Previously, from September 2014 to July 2021, he held various positions with Amazon, most recently serving as Head of Real Estate – Amazon Go, Amazon Style, and New Concepts in Dallas, Texas.

Patrick O'Toole – Chief Marketing Officer: Patrick O'Toole has served as the Chief Marketing Officer of Unleashed Services since February 2025 in Bedford, Texas. From January 2023 to December 2024, he served as the Chief Marketing Officer at Burger King, US & Canada, in Miami Florida. From March 2023 to December 2024, he served as a Board Member at the Burger King Foundation in Miami, Florida. Before this position, Pat served in several roles at PepsiCo in Purchase, New York over 14 years, including Chief Marketing Officer of Mountain Dew from March 2022 to January 2023, Vice President of Marketing – Mountain Dew and Flavors from July 2021 to March 2022, and Vice President Global Brand Marketing and Beverage Innovation from October 2019 to July 2021.

~~Nancy Bigley – Multi-Brand Group President: Nancy currently serves as the Multi-Brand Group President to Snapology, The Little Gym, Class 101, XP League, Water Wings, and Premier Martial Arts for Unleashed Services in Bedford, Texas, and has held that role since January 2025. Previously, Nancy served as The Little Gym's President from October 2021 to December 2024 in Bedford, Texas. For Twist Brands, LLC, Nancy served as the Chief Executive Officer from July 2021 to October 2021, and as Chief Operating Officer from November 2020 to July 2021 in Mandeville, Louisiana.~~

~~Josh Barker – Senior Vice President of Franchise Recruitment: Josh Barker has served as Unleashed Services' Senior Vice President of Franchise Recruitment since January 1, 2025, and previously served as Unleashed Services' Senior Vice President of Franchise Recruitment from August 2021 to December 2024 in Bedford, Texas. Previously, he served as the Vice President of Franchise Development at Neighborly in Waco, Texas from October 2020 to August 2021. At Christian Brothers Automotive in Houston, Texas, he served as the Director of Franchise Development from April 2018 to October 2020.~~

Kal Savoie – Vice President of Franchise Recruitment: Kal Savoie has served as the Vice President of Franchise Recruitment since January 2025 and previously served as Director of Franchise Recruitment from March 2022 to December 2024 at Unleashed Services in Bedford, Texas. Previously, he served as the Sales Director from January 2021 to March 2022 and Used Car Director and Corporate Trainer from August 2015 to January 2021 at Fabre Automotive Group in Baton Rouge, Louisiana.

Timm Sasser – Vice President of Franchise Recruitment: Timm Sasser has been the Vice President of Franchise Recruitment at Unleashed Brands since April 2025 in Bedford, Texas. Previously, from February 2024 to April 2025, Timm served as Principal Owner of Generate Consulting in Fort Worth, TX. From October 2019 to February 2024, he held several positions with Mission to the World, most recently serving as Director of Development from January 2021 to February 2024 in Fort Worth, Texas.

~~Eric Schechterman, CFE – Vice President of Franchise Finance: Eric Schechterman has served as the Vice President of Franchise Finance of Unleashed Services since April 2023 in Bedford, Texas. Previously, from April 2011 to February 2023, he held several positions with Benetrends Financial, most recently serving as Chief Development Officer from April 2017 to February 2023 in Philadelphia,~~

~~Pennsylvania. He currently also serves as Senior Advisor to Lander Analytics, and has held that position since January 2014 in New York, New York.~~

ITEM 3: LITIGATION

Sylvan Learning:

Pending:

Max Luque, individually and on behalf of other members of the general public similarly situated vs. The Southern California Learning Corporation, Sylvan Learning, LLC, and Unleashed Brands, LLC, Case No. 25STCV11652, pending in the Superior Court of the State of California. Plaintiffs have filed a class action suit alleging violations of the California Labor Code, including, but not limited to, California Labor Code §§ 201, 202, 226(a), 226.7, 510, 512(a), 194, 1197, 1198, 2800, 2802, California Business & Professions Code § 17200 et seq. and seeks economic, consequential, and incidental damages, penalties, interest, and attorneys' fees in bringing such action. This suit involves claims that allegedly occurred at a franchisee's business and such franchisee has agreed to fully indemnify Sylvan Learning, LLC. As of the issuance of this disclosure, the case remains pending but no class certification has occurred at this time.

Max Luque, individually and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act vs. The Southern California Learning Corporation, Sylvan Learning, LLC, and Unleashed Brands, LLC, Case No. 25CHCV02216, pending in the Superior Court of the State of California. Plaintiffs have filed suit alleging violations of the California Labor Code, including, but not limited to, California Labor Code § 2698 et seq and seek economic, consequential, and incidental damages, penalties, interest, and attorneys' fees in bringing such action. This suit involves claims that allegedly occurred at a franchisee's business and such franchisee has agreed to fully indemnify Sylvan Learning, LLC. As of the issuance of this disclosure, the case remains pending but no class certification has occurred at this time.

Sylvan Learning, LLC v. Renryder, LLC and Frederico Sandoval, Cause No. C-4248-21-C, 139th Judicial District, Hidalgo County, Texas. On October 18, 2021, Plaintiff filed suit for unpaid royalties against Defendant, a former franchisee. In January 2025, a settlement conference among the parties resulted in an agreed judgement against Defendant with an order entered by the court on January 29, 2025. On April 8, 2025, Plaintiff filed a motion for new trial which was granted by the court. Defendant then filed a countersuit claiming Sylvan had actual and constructive knowledge of an alleged embezzlement by Defendant employee and the funds converted by the employee would have satisfied any financial obligation to the Plaintiff. Therefore, Defendant claims Plaintiff unlawfully targeted Defendants in the collection of funds. The case remains pending at this time.

Rita McKissack; Amy Enderton v. Sylvan Learning, LLC; Israel Cordero; Global Tutoring Network, LLC, Cause No. DC-25-21832, 160th Judicial District, Dallas County, Texas. On December 1, 2025, Plaintiffs filed suit for breach of contract. Plaintiffs allege that on December 20, 2021, and September 1, 2022, they entered into agreements with Defendant Cordero and Global Tutoring Network, LLC for development of a Sylvan franchise location. Plaintiffs claim Defendant Cordero fraudulently induced them to enter into the agreements and have not been refunded their full investment. They further claim that Defendant Sylvan Learning, LLC made false representations about Cordero to Plaintiffs which they relied on and led to their financial loss. This case remains pending at this time.

Snapology

Concluded:

In the Matter of Snapology Community Programs, L.P. and its successor Snapology, LLC, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2015-0429. As a result of an investigation into the franchise related activities of Snapology Community Programs, L.P. and its successor Snapology, LLC, the Maryland Securities Commissioner ("Commissioner") concluded that

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

Urban Air Adventure Parks

Concluded:

UATP Management, LLC v. Leap of Faith Adventures, LLC (District Court of Tarrant County, Texas, Case No. 017-300796-18). On July 9, 2018, UATP filed this lawsuit ("Petition") against the defendant Leap of Faith Adventures, LLC ("LOFA") that, at the time of filing, was a distributor and installer of attractions used in Urban Air Adventure Parks. UATP claimed that LOFA had stopped paying UATP rebates on revenue LOFA received from selling attractions to UATP franchisees, alleging breach of contract, tortious interference, fraud, and fraudulent inducement. UATP sought compensatory damages in excess of six million five hundred thousand dollars on its various claims, attorneys' fees, and costs. LOFA answered UATP's Petition on August 13, 2018 and filed a counterclaim on October 31, 2018. LOFA alleged, among other things, conversion, breach of contract, interference with business relationships, violation of the Texas Theft Liability Act, and theft of trade secrets arising primarily from UATP's alleged interference with LOFA's contracts with UATP franchisees and relationships with other entities, all for the supposed purpose of bringing in house, to the exclusion of LOFA, the installation of attractions at Urban Air Adventure Parks. LOFA sought unspecified compensatory and exemplary damages, equitable relief, and attorneys' fees. On March 29, 2019, the Court granted UATP's motion to dismiss certain of LOFA's counterclaims, in particular the trade secrets claim. After UATP appealed the Court's order, the Court of Appeals on May 4, 2021, dismissed additional claims asserted by LOFA, leaving only claims for, among other things, interference with contracts and business relationships with UATP franchisees, conversion, breach of contract, and violation of the Texas Theft Liability Act. Before the Appellate Court's ruling, LOFA filed its own new petition on September 10, 2020, against certain of UATP's affiliates and principals, including Michael Browning, Jr. and Stephen Polozola, which was consolidated with the lawsuit described in this paragraph. In an effort to resolve the matter and bring it to a final conclusion, the case was dismissed with prejudice on September 2, 2022 following the execution of a confidential settlement agreement, wherein UATP and LOFA released all claims against each other without admission of any liability in exchange for a one-time payment of five million dollars to LOFA.

Class 101

Concluded:

Unleashed Services, LLC vs. Tom Pabin vs. Josh Wall, 48th Judicial District of Tarrant County, Texas, bearing Cause No. 48-346174-23. On September 18, 2023, Unleashed Services, LLC ("Unleashed") filed a petition against Thomas Pabin ("Pabin") requesting Declaratory Judgment as to certain issues under Mr. Pabin's employment agreement. On February 22, 2024, Pabin filed an Amended Counterclaim against Unleashed and Third-Party Petition against Josh Wall alleging (1) breach of contract; (2) fraud; (3) indemnification; and (4) declaratory judgment regarding his employment agreement. Unleashed and Josh Wall filed a Motion to Dismiss Pabin's claims, which was granted on April 12, 2024 as to Pabin's claims for breach of contract, promissory estoppel, and indemnification. On June 27, 2024, Pabin and Counter-Plaintiff Class 101, Inc. and Pabin Enterprises filed their amended Counterclaims and

Third-Party Petition against Unleashed and Josh Wall alleging (1) breach of contract, (2) tortious interference with contract, (3) fraud, (4) indemnification, and (5) declaratory judgment. The suit was resolved on October 29, 2024 with Unleashed Brands, LLC buying back Mr. Pabin's remaining ownership interests in Class 101 for two hundred and seventy-five thousand dollars. No payment was made by Unleashed Brands, LLC or any other person or entity on the underlying claims in the lawsuit, all of which have been dismissed with prejudice.

Premier Martial Arts

Concluded:

The Commissioner of Financial Protection and Innovation v. Premier Franchising Group, LLC doing business as Premier Martial Arts International ("PMAI") and/or Premier Martial Arts ("PMA"). On November 18, 2021, PMA entered into a consent order with the California Commissioner of Financial Protection and Innovation related to four licensees of PMAI. The Commissioner found that PMAI offered and sold at least four franchises in California without being registered with the Commissioner or exempt, in violation of Section 31110 of the California Franchise Investment Law. The Commissioner further found that PMA and PMAI willfully omitted to state in subsequent franchise registration applications the material fact that PMAI had at least four California studios in violation of Section 31200 of the California Franchise Investment Law. Pursuant to the consent order, PMA agreed to (1) refrain from violating Sections 31110 and 31200, (2) pay a $10,000 administrative penalty, (3) file a post-effective amendment updating PMA's then-current registration to include the consent order, and (4) disclose the existence of each and every California studio in Item 20 and in the exhibit list of current and former franchisees in any PMA disclosure document filed with the Commissioner moving forward.

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

ITEM 4: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

FRANCHISE AGREEMENT

The initial franchise fee is $~~36,900~~46,900 ("Initial Franchise Fee"), which includes the licenses for all the programs that Sylvan currently offers. All Initial Franchise Fees are non-refundable and payable in full when you sign the Sylvan Franchise Agreement.

DEVELOPMENT AGREEMENT

If we award you multi-unit development rights, you must sign our Development Agreement, which attached to this disclosure document as Exhibit F, and pay a development fee (the "Development Fee") for the respective number of territories:

Number of Territories	Total Development Fees
One ~~Territory~~territory	$~~36,900~~46,900
Two ~~Territories~~territories	$~~68,300~~89,110
Three ~~Territories~~territories	$~~95,300~~126,630

The Development Fee you must pay under the Development Agreement (a) includes the Initial Franchise Fees payable by you for the Franchise Agreements to be developed, (b) will be due in a lump sum payment upon the signing of the Development Agreement, and (c) is fully earned and non-refundable in consideration of administrative and other expenses we incur in entering into the Development

Agreement, and for our lost or deferred opportunities to enter into the Development Agreement with others. The Development Fee is uniform for all developers.

GRAND OPENING

You must spend between $10,000 and $15,000 in connection with your grand opening of the Sylvan Learning Franchised Business. We will consult with you in planning your grand opening, and we may require that you pay all or a portion of your grand opening obligation to our media partner directly or to us or our affiliate, which we or our affiliate will then submit to our media partner. The grand opening expenditure will start around 60 days before your scheduled grand opening or once the grand opening media plan is submitted to you and will continue for 60 days after your grand opening.

INCENTIVES

Sylvan offers a 5% reduction of the Initial Franchise Fee for existing Sylvan franchisees seeking to expand their Sylvan Learning Center businesses by acquiring and developing additional territories. Sylvan also offers a 5% reduction of the Initial Franchise Fee for current franchisees of Affiliated Brands in good standing when they purchase a Sylvan franchise.

Sylvan may also reduce the Initial Franchise Fee by 5% for qualified veterans of the United States military, first responders, or social workers seeking to become new franchisees.

Sylvan may offer certain additional incentives to franchise candidates with educational experience, such as a reduction of the Initial Franchise Fee by 5%. A "Qualified Educator" is a person with teaching and/or school administrative experience who owns or controls 50% or more of the franchisee entity.

Sylvan may modify or discontinue incentive programs at any time. In ~~2024, Sylvan charged~~2025, in lieu of paying an Initial Franchise ~~Fees ranging from $33,210 to $36,900 for the Franchise Agreement. Unless otherwise stated, all fees listed above in this Item 5 are uniformly imposed.~~Fee or Development Fee, we allowed certain Affiliated Brands' franchisees to apply all or portion of the franchise fee they paid for undeveloped Affiliated Brands' franchises to the initial franchise fee for a Sylvan Learning franchise.

ITEM 6: OTHER FEES

FRANCHISE AGREEMENT

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee	11% of Gross Sales generated from all services other than Sylvan Edge and ACE IT! programs, subject to a quarterly minimum. Sylvan Edge and ACE IT!: 12% of Gross Sales generated under the Sylvan Edge and ACE IT! programs.	Monthly on the 15th of the month~~.~~, or the next business day	See Note 2 for definition of "Gross Sales." The quarterly minimum Royalty Fee to be assessed is $~~8,000~~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.

Type of Fee[1]	Amount	Due Date	Remarks
NAF Contribution[3]	5% of monthly Gross Sales Revenue derived from Sylvan Edge and ACE IT!! are excluded from the Gross Sales upon which the NAF Contribution is assessed.	Monthly on the 15th of the month.	We may modify the NAF Contribution periodically by providing you at least 30 days' notice.
Local Marketing Expenditure[4]	~~Greater of~~ 6% of monthly Gross Sales or $1,500 per month, whichever is greater; revenue derived from Sylvan Edge and ACE IT! are excluded. Sylvan Edge: 3% of Gross Sales generated under the Sylvan Edge program.	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.	Monthly.	Contributions to the Advertising Cooperative will be credited toward your Local Marketing Expenditure.
Technology ~~Fee~~Fee[6] (currently called the Hub Technology Platform fee)	Currently $114 per Center per month; up to $750 per month, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year or in an amount equal to any increase passed on by the applicable third-party vendors.	Payable by the 15th day of each month.	~~Sylvan currently requires full utilization of the Hub~~The current Technology ~~Platform in all Centers. We plan to phase out the Hub Technology Platform and replace it with~~Fee is for our proprietary technology stack. We have the right to add other 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 ~~one~~license.	Monthly upon invoice.	This fee is payable to us and may be increased by ~~Microsoft~~our designated supplier from time-to-time, which is a pass-through fee and does not include any markup or rebate.
Call Center ~~Fee~~[6]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	Monthly on the 15th of the month.	We have established a call center that you must use for various functions.

Type of Fee[1]	Amount	Due Date	Remarks
	call volume		
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 ("Initial Training Fee") 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) 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 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[7]~~Assistance[8]	Then-current additional training fee (currently, $500 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[8]~~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

Type of Fee[1]	Amount	Due Date	Remarks
			develop a second Franchised Location, pursuant to a separate then-current Franchise Agreement.
Conference Fee	Currently $~~1,000~~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 ~~billing.~~invoice	We require that you attend our annual conference. ~~Only in very limited circumstances, if~~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 ~~may approve~~excuse your absence, you ~~to~~must send your Designated Manager or general manager in your place. If you or your representative do not attend, you must pay us a conference materials fee of $~~1,000~~1,500 (or the maximum allowed in the franchise agreement) and we will provide you with relevant training materials from the Sylvan Learning annual conference. ~~In addition to payment of the Conference Fee, you are responsible for wages, travel, lodging, and other fees and costs for you, your Designated Manager, or other personnel to attend such conferences~~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	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

Type of Fee[1]	Amount	Due Date	Remarks
			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.	Upon invoice	You are required to conduct a marketing campaign to announce refurbishment or remodel of your Franchised Business, or that you have renewed or transferred your Sylvan Learning franchise agreement.
Holdover Fee	$250 per day that you operate after the expiration of the term of the Franchise Agreement.	Upon invoice.	Payable only if you desire to renew but have not signed the renewal Franchise Agreement before the expiration date of the initial term.
Transfer Fee	$6,000 per Center plus $2,500 transfer training fee, and reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal.	Upon invoice.	Payable before transfer of your Franchised Business if you request and we consent to transfer. The $2,500 transfer training fee is waived if the Center is transferred to an existing Sylvan Learning franchisee in good standing.

Type of Fee[1]	Amount	Due Date	Remarks
			The $6,000 shall be multiplied by the number of retail Centers the franchisee operates in the Protected Area. For example, if there is one Primary Center and two Additional Centers, the Transfer Fee shall be $18,000 plus $2,500 (if applicable).
Resale Program Fee	Currently, the greater of 5% of the purchase price paid for your Franchised Business (in any form, including cash, credit, debt or stock) or our then-current Initial Franchise Fee (currently $~~36,900~~46,900.).	Prior to closing.	Payable only if you elect to participate in our Resale Program ("Resale Participation Program") in connection with the sale of your Franchised Business to an approved transferee of the Franchise Agreement. This fee is in addition to the Transfer Fee.
~~Interest[9]~~Interest[10] =	Lesser of 18% per year or maximum lawful rate in your state.	Upon demand.	Interest is charged when any Royalty Fee or other fee or payment due to us is not paid when due or an audit reveals underpayment based on inaccurate Gross Sales.
~~Nonsufficient Funds Fee~~	~~$100 per occurrence, not to exceed maximum allowed by governing law.~~	~~Upon demand.~~	~~Payable only if there are insufficient funds in the account designated by you for ACH debit to satisfy fees and amounts owed to us under the Franchise Agreement when due.~~
Audit Costs	Actual cost of the financial audit~~.~~; currently $4,800 to $5,500 per audit	Upon invoice~~.~~	Payable to us if the audit is made necessary by your failure to provide reports or supporting records as required, or failure to provide those reports, records, or information on a timely basis, or if an understatement of Gross Sales for the period of any audit is determined to be greater than 2%. 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

Type of Fee[1]	Amount	Due Date	Remarks
			your record-keeping or response.
Indemnification	Varies depending upon claim and resolution of claim.	Upon demand.	You are required to pay us for all losses and expenses we incur in connection with any third-party claim for which you are required to indemnify us under the Franchise Agreement.
Liquidated ~~Damages[10]~~Damages[11]	The product of (i) the Royalty Fee multiplied by the franchisee's Gross Sales during the entire previous twelve (12) full calendar months and (ii) the lesser of (a) three years or (b) the number of years remaining in the Initial Term.	On demand.	Payable only if you default and we terminate your Franchise Agreement.
Public offering or private placement of your securities	Reimbursement of our actual costs and expenses incurred in having our legal and professional counsel review offering materials.	Upon demand.	Payable only if you offer your securities in a public or private offering.
~~Payment Processing Fee[11]~~	~~Varies depending upon the volume of payments made by credit card.~~	~~Monthly.~~	~~Payable to us.~~

DEVELOPMENT AGREEMENT

Type of Fee[1]	Amount	Due Date	Remarks
Transfer Fee (Controlling Interest)	$25,000 plus $1,500 for each Center yet to be developed.	Upon demand.	Payable only if you transfer your obligations under the Development Agreement to an approved third-party.
Administrative Fee (Convenience of Operation or Non-Controlling Interest)	$3,500 but only if 20% or less of the total outstanding units or assets in the Franchised Business are being transferred to an approved Owner and limited to one time per rolling twelve-month period. Otherwise, such transfers are subject to the Transfer Fee governing Controlling Interest.	Upon demand.	Payable only if you transfer your rights under this agreement to a business entity under your common control.
Liquidated Damages	The lesser of i) $100,000 and ii) the Minimum Royalty Fee, multiplied by 36, multiplied by the number of units undeveloped	Upon demand.	Payable only if you default and we terminate your Development Agreement.

Type of Fee[1]	Amount	Due Date	Remarks
	under the Development Agreement.		

NOTE 1: Unless otherwise noted, all fees in this Item 6 are uniformly imposed on new franchisees receiving this offering and are non-refundable.

NOTE 2: "Gross Sales" means the dollar aggregate of: (1) the sales price of all products, services, ~~membership~~Membership Program fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the Internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales, including but not limited to the redemption of approved gift cards/certificates, stored value cards, and loyalty program benefits (the initial sales or reloading of gift cards shall not be included in the calculation of Gross Sales) pursuant to the Customer Card Programs. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates and stored value cards (the redemption value minus administrative fees will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; (9) tips and gratuities; (10) Gross Sales earned through an Affiliated Brand franchise operated at the Franchised Business premises, so long as such Gross Sales constitute gross sales (or equivalent) subject to a royalty fee and other fees under such Affiliated Brand's franchise agreement; and (11) rent or other consideration paid by an Affiliated Brand franchise for occupying the Franchised Business' premises. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

NOTE 3: If established, the NAF will contribute up to 15% of its monthly balance to a separate fund (the "Unleashed Fund") utilized for marketing all Affiliated Brands, including Sylvan Learning. See Item 11 for details on the Unleashed Fund.

NOTE 4: We reserve the right to identify a Designated Supplier, which may be an affiliate of ours, of local and regional marketing services and establish a system-wide supply contract for local and regional marketing services. Under these circumstances, we may collect all or a portion of the Local Marketing Expenditure and apply it to fees payable to the Designated Supplier for those marketing services. If the full amount of the Local Marketing Expenditure is applied to fees due under a system-wide supply contract, you may, but are not required to, conduct additional or supplemental marketing activities as permitted under the Franchise Agreement. If we collect less than the full amount of the Local Marketing Expenditure, you must spend the remaining Local Marketing Expenditure on marketing activities in your Protected Area as permitted under the Franchise Agreement and Manual.

NOTE 5: Currently, there is no established Sylvan Learning advertising cooperative ("Advertising Cooperative"). If we establish an Advertising Cooperative, we may require that you participate in an approved local or regional Advertising Cooperative with certain other franchisees and sign our then-current form of cooperative advertising agreement. If an Advertising Cooperative is established, it will operate by majority vote, with each Center (whether franchised or affiliate-owned or managed) entitled to one vote. We also will have the right to cast one vote with respect to each Advertising Cooperative. The majority vote will determine the level of contributions. The amounts you contribute will be credited against the Local Marketing Expenditure. We do not currently expect that company-owned or affiliate-owned Centers will have majority voting power in any Advertising Cooperative, but if they do, the required contribution by any member of the Advertising Cooperative will not exceed the amount you are required to spend as the Local Marketing Expenditure absent the consent of a majority (i.e., 51%) of the franchisees in the Advertising Cooperative.

NOTE 6: The monthly Technology Fee includes access to i) one domain for your Franchised Business and one email account ($4.99 per month for each additional email address); ii) access to Sylvan Learning's online learning portal; iii) access to manage your Franchised Business' site; iv) access to internal communication and information management tools; v) access to the designated customer relationship management and marketing cloud software; vi) customer review, survey software, reputation management software, and customer review and communication platform; viii) phone number and call center connectivity; viii) point-of-sale system; and ix) access to cloud services to automate cloud operations, improve security, and facilitate workload migration. We reserve the right to collect any pass-through costs of our designated suppliers depending on your use of their services. The base package for the POS System is included in the Start-Up Equipment and Inventory Package. You will incur additional costs if you choose to have more POS System hardware, like additional card readers or custom stations. See Item 11 for more information.

NOTE ~~6~~7: We have established a call center that performs various functions for franchisees, including general customer support and promotion, booking, and upselling related to events held at Sylvan Learning businesses (e.g., special events). You will pay us or our affiliate or a Designated Supplier a Call Center Fee for these services, which is either Model A ($700 per month plus $10 per inquiry) or Model B ($350 per month plus $30 per inquiry), depending on call volume.

NOTE ~~7~~8: There is no additional fee for such on-site assistance for the first Sylvan Learning business you develop but may be charged if such assistance is provided with respect to the second or any subsequent Sylvan Learning business developed by you or your Affiliate.

NOTE ~~8~~9: With our written consent, you may divide your Protected Area into two separate territories in order for you to develop a second Approved Location or transfer a portion of your Protected Area. For each newly created territory, you will execute our then-current form of Franchise Agreement and pay 25% of the then-current Initial Franchise Fee (the "Split Territory Fee"). Our approval to subdivide your territory is subject to conditions, which may include successful completion of training by a new Designated Manager (if we require you to have a second Designated Manager), your compliance under all franchise agreements and other agreements with us and our affiliates, and the subdivided territory independently meeting our then-current standards for a Protected Area.

NOTE ~~9~~10: The highest interest rate allowed by law in California for late payments is 10% annually.

NOTE ~~10~~11: If at the time your Franchise Agreement is terminated, you have been operating your Center for less than 12 months, the amount of liquidated damages will be based upon the system-wide Royalty Fee average for the month in which termination occurs.

~~**NOTE 11:** We require that franchisees utilize the payment processor that we designate for processing credit card payments by customers. You will be charged each month a payment card processing fee by us,~~

~~which represents your pro rata share of the system-wide fee assessed by our designated payment card processor based on the volume of credit card payments you receive.~~

ITEM 7: ESTIMATED INITIAL INVESTMENT

~~**Your Estimated Initial Investment**~~

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[1]	$~~36,900~~46,900	$~~36,900~~46,900	Lump sum.	Upon signing the Franchise Agreement.	~~Sylvan~~[8]Sylvan
~~Travel and Living Expenses While Attending Initial Training~~[2]Training-related expenses[2]	$1,400	$2,400	As incurred.	Before opening.	Airlines, hotels, restaurants, etc.[9]
~~Initial Three Months' Rent and Security Deposit~~[3,]First month's rent and security deposit[3, 10]	$~~4,000~~ 1,500	$~~15,500~~5,500	Per lease terms.	Per lease terms.	Landlord[10]
Real Estate Improvements and Site Preparation[4]	$15,000	$~~75,000~~118,010	Lump sum or per lease terms.	Before opening or per lease terms.	Landlord and/or ~~contractors~~[8,]contractors [10]
Development Project Management ~~Fee~~Fee[16]	$6,000	$6,000	Lump sum.	Before opening.	Approved ~~vendors~~[8]vendors
Initial Inventory and Instructional Materials[5]	$2,750	$~~3,050~~4,500	Lump sum.	Before opening.	Approved ~~vendors~~[8]vendors
Specialized Furnishings[6]	$6,000	$15,000	Lump sum.	Before opening.	~~Vendors~~[8]Vendors
Other Furniture and Miscellaneous Supplies	$3,400	$4,500	Lump sum.	Before opening.	~~Vendors~~[8]Vendors
Signage (interior and exterior)	$2,000	$~~8,000~~10,000	Lump sum.	Before opening.	~~Vendors~~[8]Vendors
Grand Opening ~~Marketing~~[7,8]Marketing[7]	$10,000	$15,000	As incurred.	Due 60 days before grand opening.	~~Vendors~~[8]Vendors

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
~~Local Marketing Expenditure[7]~~Insurance Deposit and Premium[8]	$~~1,500~~2,000	$~~1,500~~2,700	Lump sum.	Third month after opening.	Approved ~~vendors[8]~~vendors
Computers and other Hardware, Telephone, Internet Access & Software[11]	$7,500	$13,930	Lump sum.	Before opening.	~~Vendors[8]~~Vendors
Miscellaneous Supplies[12]	$15	$150	Lump sum.	As incurred.	~~Vendors[8]~~Vendors
~~Hub Technology Platform[13]~~	~~$342~~	~~$342~~	~~As incurred.~~	~~After opening.~~	~~Sylvan[8]~~
~~Call Center Participation[14]~~	~~$1,480~~	~~$2,930~~	~~As incurred.~~	~~After opening.~~	~~Sylvan[8, 14]~~
Accounting ~~Software[15]~~Software[13]	$135	$600	As incurred.	As incurred.	Vendors[9]
Optional: Sylvan Edge and/or ACE IT! ~~programs[16]~~programs[14]	$0	$3,210	As incurred.	Before opening.	~~Vendors[8]~~Vendors
Legal, Accounting and other Professional Fees[15]	$3,500	$5,000	As arranged with providers	As arranged	Attorney, CPA, etc.
Additional Funds – Three Months[17]	$9,500	$35,000	As incurred.	As incurred.	Employees, suppliers, ~~utilities[8]~~utilities
TOTAL[17]	**$~~107,922~~117,600**	**$~~239,012~~288,400**			

Unless otherwise indicated in the notes below, the fees listed are not refundable, unless you and the vendor agree differently. Neither we, nor our affiliates, finance any part of your initial investment.

NOTE 1: The Initial Franchise Fee is not refundable under any circumstances. ~~The Initial Franchise Fee may be modified as described in Item 5 if you agree to a Development Agreement.~~

NOTE 2: ~~Currently,~~ Sylvan delivers some portions of the initial training program in person at Sylvan's facilities in Bedford, Texas or another designated facility while other portions are delivered online via live webinars. This is the estimate for one person in attendance, and your costs may increase for additional attendees. This cost does not include the Initial Training Fee, which is only charged if you do not attend initial training during our regularly scheduled.

NOTE 3: If you do not own adequate space, you must buy or lease space for your Center. Strip malls are the typical locations for Centers. Your Center must be a minimum of 1,000 square feet, and we will approve Center sizes of 1,000 to 2,000 square feet. Most Sylvan Learning Centers are between about 1,500 and 2,400 square feet. The amount of rent that you pay will vary greatly depending on your geographic location, the type of location in which your Center is located, the size of your Center, and general economic conditions, among other factors. Your costs will increase if you elect to develop Additional Centers. Sylvan does not recommend that you purchase or rent dedicated space for Satellites, but you may wish to lease space on a short-term or temporary basis. School libraries and community centers are some possible locations for Satellites. You must obtain Sylvan's approval of any locations before you may deliver services there. Square footage will vary greatly by number of students you are serving. The amount of temporary rent that you will pay will vary greatly depending on your geographic location, the type and size of your service site, and general economic conditions, among other factors, but will typically range from $250 to $3,000, and many Satellite locations are used at no cost.

NOTE 4: The costs of improving your lease site for your Center are negotiated with the landlord as part of negotiating your lease. If the landlord provides the improvements at its cost and those costs are financed as part of the lease, you will substantially reduce your initial costs, but your monthly rental costs will likely be higher. The costs assume the space is in warm shell condition, which is part of the real estate negotiations.

NOTE 5: Sylvan will specify the initial inventory and instructional materials that you must obtain from third parties; this includes educational materials and manipulatives to help you deliver Sylvan and SylvanSync programs. If we have not identified a Designated Supplier, you may source these from any third party so long as the materials meet our specifications. This amount may change from time to time throughout the year. The amounts do not include all shipping costs and taxes, which must be paid by you. At the end of your first year of operations, you will be required to purchase additional Learning Materials for an additional cost.

NOTE 6: You must purchase certain specialized furnishings for your Center that meet Sylvan's specifications. You may purchase these from any vendor that can produce furnishings that meet Sylvan's specifications (see Item 8). If Sylvan has not identified a Designated Supplier, you may use the vendors, but if you source vendors outside of Sylvan's list of recommended vendors, then you must seek and obtain approval of the furnishings you wish to purchase in advance of purchasing them. You are responsible for shipping costs and the set-up and installation of the specialized furnishings.

NOTE 7: Across the 60 days before the Primary Center first opens for business and 60 days after opening, you are required to spend a total of at least $10,000 on advertising and marketing approved by Sylvan to promote your Primary Center. After you complete your grand opening marketing, your Local Advertising Expenditure requirement begins ~~on~~in the third month and every month thereafter.

NOTE 8: ~~This fee or~~The initial insurance payment ~~to a vendor is non-refundable~~includes your deposit. Your monthly payments thereafter range from $600 to $1,200.

NOTE 9: The refundability of this fee depends on the provider.

NOTE 10: This fee is usually non-refundable but varies by landlord.

NOTE 11: The estimated costs indicated in the chart include the costs for three to five computer workstations with operating software at $600 - $1,000 each, 12-21 iPad (7th generation or later) devices at $349 each, 12-21 covers/screen protector kits for the iPads at $10 each, $700 total for a printer and copier (combined or separate), and three months of internet and telephony services at $100 - $230 per month and a small office/business firewall and wireless access point at $350 - $700. You must purchase or lease a minimum of ten Apple iPad (7th generation or later) devices for each Center, unless we grant prior approval for a lower inventory. You must have a sufficient number of iPads, accessories, and peripherals (including but not limited to keyboards and headphones for programs that require them) to serve all

students enrolled in SylvanSync programs. We provide certain of the other equipment and licensed software at no additional cost to you. See the Computer Systems section of Item 11 for more information on required materials and equipment we provide and materials and equipment you must obtain from third 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 currently requires that all franchisees use the Hub Technology Platform for its intended uses (for example, recording contacts, scheduling customer appointments, enrolling and scheduling students, tracking attendance, billing customers, and reporting revenue). The Hub Technology Platform Fee is included in franchisees' monthly billing statements, due and payable by the 15th day of each month. The Hub Technology Fee is subject to change from time to time as it is based upon the license fees and costs that Sylvan is required to pay to the third-party licensor of the system. In the next year, Sylvan intends to sunset the Hub Technology Platform and replace it with its own proprietary software. When this occurs the Hub Technology Fee will be replaced with the Technology Fee.~~

~~**NOTE 14:** Sylvan requires new franchisees to participate in the Call Center Program (formerly known as the Contact Center Program) for the first twelve months of operation of each Center. Call Center Program fees are not charged until you open your Center. The range included in the chart above includes estimated Call Center Program fees over a three-month period, and is based upon actual monthly fees paid by franchisees who participated in the Contact Center Program during 2024. There are two different payment models for the Call Center Program: the first model is a higher flat fee per month rate with a lower per-inquiry variable rate ($700/month, plus $10/inquiry), and the second model is a lower flat fee per month rate with a higher per-inquiry variable rate ($350/month, plus $30/inquiry). Sylvan currently bills participating franchisees each month based upon their Call Center Program usage in the prior month. Sylvan then pays the Designated Supplier, which is currently a third-party vendor. Call Center Program fees are subject to change from time to time based upon changes in the third-party vendor fees charged to Sylvan. We reserve the right to switch the Designated Supplier to our Affiliate. We reserve the right to suspect your requirement to participate if your Center outperforms certain metrics.~~

NOTE ~~15~~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 ~~16~~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 ~~initial~~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 ~~franchisees, and from our experience in opening and operating company-owned Centers. As of the issuance date of this disclosure document, the U.S. government has imposed tariffs for goods imported from various countries. This tariff, including tariffs on imports from China and other countries, is subject to change from time to time, including potentially material increases, as determined by the United States government. While the duration and level of applicable tariffs (and the items to which they apply) are uncertain going forward, such tariffs will directly impact (i.e., increase) your estimated initial investment, including, but not limited to, the cost of your required build-out, furniture, fixtures, equipment, merchandise, and other supplies for your Franchised Business.~~franchisee.

~~Unless otherwise indicated in the notes above, the fees listed are not refundable, unless you and the vendor agree differently. Neither we, nor our affiliates, finance any part of your initial investment.~~

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]	$~~68,300~~89,110	$~~95,300~~126,630	Lump Sum	On signing the Development Agreement.	Sylvan
Legal, Accounting and Other Fees[2]	$~~1,000~~3,500	$~~2,000~~5,000	Lump Sum	As Incurred	Third parties
Initial Investment for the first Sylvan Learning Center	$~~71,022~~70,700	$~~202,112~~241,500	See table above. The low range is equal to the low range of the total from the above table, less the Initial Franchise Fee, and the high range is equal to the high range of the total from the above table, less the Initial Franchise Fee.		
TOTAL[3]	**$~~140,322~~163,310**	**$~~299,412~~246,500**			

NOTE 1: You must develop two to three Centers under the Development Agreement. The Development Fee due under the Development Agreement is based on the additional Initial Franchise Fees for the second and the third Center.

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

NOTE 3: For each Center you develop under the Development Agreement, you will also incur the expenses in the table above in this Item 7 (except for the Initial Franchise Fee). The cost for opening multiple Centers under the Development Agreement is the same as opening one Center multiplied by the number of Centers the franchisee has been granted to open, which is subject to then-current costs of opening subsequent Centers after the first Center.

The amounts in the above charts are estimates only and specific amounts vary depending upon various local conditions that are outside of our control. We relied on our experience in this business to compile these estimates. You should review these figures carefully with the business advisor of your choosing before you purchase a franchise. We do not offer direct or indirect financing for your initial investment.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

PURCHASES FROM APPROVED OR DESIGNATED SUPPLIERS; PURCHASES ACCORDING TO SPECIFICATIONS

You must purchase from ~~us or~~ from suppliers or distributors we designate (each a "Designated Supplier") all of your requirements for developing, constructing, and operating the Franchised Business including: (1) fixtures, furniture and other furnishings, equipment, supplies, point-of-sale systems, merchant processing systems, signs (such as interior and exterior signage), and items of décor; (2) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our Proprietary Marks); (3) advertising, point-of-purchase materials, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance policies from our Designated Supplier and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier; (9) reputation management and customer service satisfaction evaluations, and other surveys; (10) real estate brokers; (11) architect services; (12) music providers (if applicable in the future); and (13) other products and services that we require. See Item 11 for information about our computer system requirements. For certain designated suppliers, you may be required to enter into a form of participation agreement specified by such supplier. We will notify you in our Manuals or other communications of our standards and specifications with respect to Designated Suppliers, including situations in which we may revoke approval.

You will be required to purchase the following through us or our affiliate: (1) retail merchandise; (2) licenses to the point of sale, merchant processing, and other software programs that we designate; (3) certain digital marketing services; (4) technology solutions (e.g., franchise management system, computer equipment) identified by us; ~~and~~ (5) point-of-sale system and related hardware (if required), (6) insurance policies (if required), and (7) certain support services related to the operation of your Franchised Business, including the accounting systems and third party accounting services that we prescribe. We are the sole approved supplier for certain items which includes, among other things, lobby marketing materials; customer marketing materials; staff uniforms; initial inventory; front desk management ~~(POS)~~ software and hardware described in Item 11; and Internet site design and Internet marketing described in Item 11.

We also have certain exclusive supply, license, or merchandizing arrangements with toy, clothing, and curriculum suppliers, and they may pay us to do so (see amounts of supplier payments below). These may become part of our required curriculum or required retail sales. We may add other suppliers or discontinue such arrangements in our discretion.

Except through an interest in us or our affiliates, none of our officers owns any interest in any Designated Suppliers with whom you must or are required or recommended to do business.

In addition to the items described above, we may require you to buy from us advertising and promotional materials, direct mail flyers and related forms to our franchise owners at prices that we determine. We or our affiliate may in the future provide media buying and placement services for local marketing and advertising. If we or our affiliate purchase media time or space or place advertising, then you will pay us or our affiliate's costs plus a fee not to exceed 15% of those costs. We do not currently require you to purchase these materials or services from us. We or our affiliates may in the future offer or choose others to offer other goods or services and may become approved suppliers or the only approved supplier for other goods and services.

If we institute a Customer Card Program, you are required to participate in such programs, invest in additional equipment, and incur vendor processing or administrative fees for administration of the Customer Card Program. You must accept for payment gift card(s) presented as payment for purchases made in your Center for products and services.

SUPPLIER APPROVAL PROCESS

If we require that a product or service be purchased from an Designated Supplier and you wish to purchase it from an alternate supplier, you must submit to us a written request for approval and must include pertinent information about the supplier as required in the Manual. You may not purchase or lease the product or service until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the products or services, as applicable, comply with our standards and specifications and whether the supplier meets our criteria, as may be amended by us periodically. We also have the right to inspect the supplier's facilities and have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, traceability, consistency, and pricing as well as supplier financial condition, corporate social responsibility policies, reliability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints and positive complaint resolution history), and other criteria that we may establish periodically. You must reimburse us for all costs that we incur in connection with due diligence of your proposed supplier and our evaluation of such supplier as well as any costs we incur in monitoring a Designated Supplier's compliance with our requirements. We do not act as an agent, representative, fiduciary or other intermediary for you in our relationship with an alternative supplier you propose, and we approve. We have the right to monitor the quality of the services provided by Designated Suppliers in a manner we deem appropriate. We may impose obligations on Designated Suppliers, which will be incorporated in a written license agreement with the supplier.

We are not required to approve any particular supplier. We will notify you of our approval or disapproval within 120 days of our receipt of complete information from you that we require to evaluate a proposed supplier. Our specifications for products and services and criteria for suppliers are generally issued through written communication and available to franchisees through the Manual, but we do not disclose information regarding specifications for products and services and criteria to suppliers that we consider proprietary or confidential to us. We may re-inspect the facilities and products of any Designated Supplier, and we may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier, we will communicate this to you in writing and you must promptly discontinue use of that supplier.

You may purchase from any supplier those items and services for which we have not designated approved suppliers or distributors, if the items and services meet our specifications, which may include brand requirements. If brand requirements have been identified, you may purchase and use only those brands approved by us. Our approved vendor list and standards and specifications, and our modifications to our standards and specifications, are communicated to our franchisees in the Manual.

LOCATION AND LEASE

You must acquire a site for the Franchised Business in the Protected Area (as described in Item 11) that meets our site selection criteria ("Approved Location"), which are detailed in the Manual, and sign the lease for the premises within 180 days after the effective date of the Franchise Agreement. You may not acquire a site for the Franchised Business until we approve that site. Unless we otherwise agree in writing, you must lease the Approved Location and provide us for our review and approval a copy of the proposed lease for the Approved Location, which must include the Lease Rider attached as Attachment G to the Franchise Agreement. Your failure to acquire the Approved Location under a lease within the 180-day time-period following the effective date of the Franchise Agreement will constitute a default for which we will have the right to terminate the Franchise Agreement if you fail to cure the default within 30 days after delivery of the default.

INSURANCE

You must obtain and maintain, at your own expense, the insurance that is necessary or appropriate for

liabilities caused by or occurring in connection with the development or operation of the Franchised Business, including our mandatory policies and minimum limits of coverages described below:

Line of Coverage:	**Limits:**
General Liability Insurance	• $1,000,000 per occurrence • $2,000,000 Annual General Aggregate, Other than Products • $2,000,000 Annual Aggregate, Products and Completed Operations • (a) premises and operations; (b) products and completed operations; (c) personal injury; (d) advertising liability; (e) abuse and molestation; (f) contractual liability; (g) employees as insureds; (h) extended bodily injury coverage; (i) damage to premises rented to you ($100,000); (j) owned, non-owned and hired automobile insurance ($1,000,000 combined single limit); and (k) student accident • Medical Expense – each claim – to be excluded
Commercial Property Insurance	• Covering business personal property and business income for one year of lost profit and continued business expenses, for full replacement cost of the Franchised Business's contents.
Worker's Compensation	$1,000,000 limit
Hired and Non-Owned Auto Liability	$1,000,000 per occurrence
Employment Practices Liability Insurance	• $1,000,000 per claim • Wage & Hour sublimit no less than $100,000 per occurrence • Coverage for 1st and 3rd party sexual harassment
Professional Liability (recommended but not required)	$1,000,000 per occurrence
Other coverage as we may require from time to time.	

We have the right to establish and modify the minimum required coverages and to require different or additional kinds of insurance. Each policy must include those terms and endorsements that we require, as specified in the Franchise Agreement and the Manual. We may designate periodically one or more Designated Suppliers, which may be us or an affiliate, for the required insurance, and you must use those Designated Suppliers, to the extent permitted by governing law.

You must purchase the required worker's compensation insurance, general liability insurance, property insurance, and employment practices insurance from our Designated Supplier(s). If we have not named a Designated Supplier or with respect to all other required insurance, in lieu of purchasing the insurance through our Designated Supplier as we may designate from time-to-time, you may purchase the insurance from insurance brokers and carriers that you select, subject to those brokers and carriers satisfying our Standards and minimum requirements. You must submit to us the information and documentation that we request in connection with your request for our consent to purchase insurance from any unapproved insurance broker or insurance carrier.

You must include us as an additional insured on all of the above policies except Worker's Compensation and Professional Liability. All insurance must be provided by an approved vendor or an insurer with an A.M. Best rating of not less than an A-VIII ("excellent" and $100,000,000 to $250,000,000 in policy holder surplus) that is authorized to sell insurance in the state in which your Franchised Business is

located. You must provide us with a certificate of insurance and additional insured endorsement complying with the above requirements no less than 30 days prior to opening your Franchised Business and at least 30 days prior to any renewal providing the endorsements as noted below. All insurance policies (except worker's compensation) must include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, and must include a 30-day notice of cancellation directed to both you and to us or the person we designate.

If we have not named a Designated Supplier, you may purchase the insurance from insurance brokers and carriers that you select, subject to those brokers and carriers satisfying our Standards and minimum requirements. You must submit to us the information and documentation that we request in connection with your request for our consent to purchase insurance from any unapproved insurance broker or insurance carrier.

REVENUE DERIVED FROM FRANCHISEE PURCHASES AND LEASES

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us or our affiliates, and we also may receive payments or material benefits from suppliers based on your purchases or leases from them. We have negotiated supply agreements with providers of merchandise, technology solutions, and credit card processing services under which the vendors will remit to us a percentage of revenue from purchases made by franchisees. For the fiscal year ending December 31, ~~2024~~2025, Sylvan's total revenue from franchisees' required purchases or leases of Sylvan System and SylvanSync System products and services was $~~1,219,624~~925,979, or approximately ~~4~~2.4% of Sylvan's total revenues of $~~31,880,184~~38,054,270.

The purchase or lease from Sylvan of products and services specified by Sylvan is estimated to represent approximately 1% to 3% of a franchisee's total initial investment. The purchase or lease from third parties of materials and products specified by Sylvan is estimated to represent approximately 11% to 12% of a franchisee's total initial investment. The purchase or lease of products and services specified by Sylvan, from Sylvan and from other sources, is estimated to represent up to 6% of a franchisee's annual expenses to operate a Center.

None of our officers currently own an interest in any unaffiliated, privately-held supplier, or a material interest in any unaffiliated, publicly-held supplier, though our officers may occasionally own non-material interests in unaffiliated, publicly-held companies that may be suppliers to our franchise system.

PURCHASING COOPERATIVES; SUPPLIER NEGOTIATIONS AND ARRANGEMENTS

There currently are no purchasing or distribution cooperatives in existence connected to our franchise system. We may, but are not obligated to, negotiate purchase arrangements with suppliers for the benefit of our franchisees, and we may but are not obligated to establish national buying accounts with vendors whose products meet our specifications. We do not provide you any material benefits (such as renewal rights or the right to acquire additional franchises) based on your purchases from approved or Designated Suppliers

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other Items of this disclosure document.

Obligation	Sections in Franchise Agreement	Sections in Development Agreement	Disclosure Document Items
a. Site selection and acquisition/lease	Article 3 and Attachment G	Articles 1 and 4	Items 11, and 12
b. Pre-opening purchases/leases	Articles 4 and 5	Not Applicable	Items 7 and 8
c. Site development and other pre-opening requirements	Articles 4 and 5	Article 4	Item 7
d. Initial and ongoing training	Article 8 and Section 2.B.(5)	Section 6.2	Item 11
e. Opening	Article 5	Article 4	Item 11
f. Fees	Article 6	Article 3	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Articles 7, 9, 10, and 11	Article 5	Item 11
h. Trademarks and proprietary information	Articles 9 and 13, and Section 14.A.	Sections 1.2.2 and 1.4	Items 1, 13, and 14
i. Restrictions on products/services offered	Articles 9, 10, and Sections 11.B.-11.D.	Not Applicable	Items 8 and 16
j. Warranty and customer service requirements	Sections 8.A., 9.A., 10, and 15.F.	Not Applicable	Item 16
k. Territorial development and sales quotas	Section 1.B. and Article 3	Article 4	Item 12
l. Ongoing product/service purchases	Sections 11.B.-11.F.	Not Applicable	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Article 10 and Sections 2.B(3), and 11.B.	Not Applicable	Items 7 and 8
n. Insurance	Article 16	Not Applicable	Items 6, 7, and 8
o. Advertising	Article 15	Not Applicable	Items 6, 7, and 11
p. Indemnification	Article 20.B.	Section 7.2	Item 6
q. Owner's participation/ management/staffing	Sections 11.J.-11.K.	Article 5	Item 15
r. Records and reports	Article 7	Section 5.3	Items 6 and 11
s. Inspections and audits	Article 7 and Sections 4.D., 4.E., and 11.H.	Not Applicable	Items 6 and 11
t. Transfer	Article 17	Article 8	Item 17
u. Renewal	Section 2.B.	Section 5.2	Items 6 and 17
v. Post-termination obligations	Article 19	Article 9	Item 17

Obligation	Sections in Franchise Agreement	Sections in Development Agreement	Disclosure Document Items
w. Non-competition covenants	Sections 14.B.-14.F.	Section 6.3	Items 15 and 17
x. Dispute resolution	Article 23	Article 11	Item 17
y. Guaranty	Attachment D	Attachment D	Item 15
z. Other: Liquidated Damages	Section 18.F.	Section 9.8	Item 6

ITEM 10: FINANCING

We do not offer direct or indirect financing, but we may develop relationships with preferred lenders or financing sources, which we may, when established, make available to you. We do not guarantee your note, lease, or other obligations.

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Sylvan is not required to provide you with any assistance.

FRANCHISE AGREEMENT

Before you begin operating the Franchised Business, we will:

1. Review your franchise site information and notify whether your proposed site is approved or rejected after receiving the complete (as determined by us) site application package. (Franchise Agreement, Section 3.B.)

2. Provide to you specifications, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront, signage, graphics, color schemes, and opening inventory. (Franchise Agreement, Section 4.A.) You must have all required construction plans and specifications prepared to suit the shape and dimensions of the Franchised Business and ensure that the plans and specifications comply with governing law, building codes, permit requirements, and any lease requirements and restrictions.

3. For your first Sylvan Learning location opening only, we will provide you with one member of our training team for two to three days of pre-opening assistance and training at your Franchised Business location or remotely, at our option; there is no fee for the service, nor do we require you to reimburse our related costs. If pre-opening assistance is provided with respect to the second or any subsequent Franchised Business developed by you or your affiliate, or we consider pre-opening assistance necessary, or you request that we provide additional members of our training staff to provide on-site opening assistance (subject to availability of personnel), in each case, we may charge you our then-current training fee, including reimbursement of our out-of-pocket costs incurred in connection with providing the assistance, including travel, accommodations and meals for the trainers. (Franchise Agreement, Section 5.C.)

4. For all Franchised Businesses you open, we may at our option, or we will at your request, provide you with additional members of our training team to provide pre-opening assistance, subject to the availability of personnel, in which case we may require you to pay our then-current training fee (as published in the Manual) and to reimburse us for our training-related expenses, including travel, lodging and dining costs for those additional trainers who provide opening assistance. (Franchise Agreement, Section 5.D.)

5. Conduct the initial training program with you and your Designated Manager (see Item 15) without charge. (Franchise Agreement, Section 8.A.)

6. Loan you one copy (digital or hard copy) of our confidential Manual containing information and knowledge necessary and material to the System. (Franchise Agreement, Article 9).

During the operation of the Franchised Business, we will:

1. Provide to you our knowledge and expertise regarding the System and pertinent new developments, techniques, and improvements in the areas of management, sales promotion, service concepts, and other areas. We may provide these services through on-site visits, through the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, email communications, or other communications. (Franchise Agreement, Section 5.D.)

2. Use good faith efforts to approve or disapprove your proposed promotional and marketing materials within 10 business days after we receive them. (Franchise Agreement, Section 15.A.)

3. Establish and administer a membership program, gift card acceptance program, loyalty program and master insurance program for so long as we elect to do so. (Franchise Agreement, Sections 11.R., 15.F. and 16.B.)

Except as described above, the Franchise Agreement does not require us to provide any other assistance or services to you during the operation of the Franchised Business. As the Development Agreement relates to the development of Franchised Business, the Development Agreement does not require us to provide any other assistance or services during the operation of the Franchised Businesses.

DEVELOPMENT AGREEMENT

When you sign the Development Agreement, we will provide you site selection guidelines, including our minimum standards for Center sites and sources regarding demographic information, and such site selection counseling and assistance as we may deem advisable.

During the course of the Development Agreement, we will:

1. Upon your request, disclose to you the then-current franchise disclosure document and, upon your compliance with the Development Agreement and our requirements, issue and execute remaining franchise agreements pursuant to your Development Schedule. (Development Agreement, Section 4.1.)

2. Evaluate each site application and conduct on site evaluation as we deem advisable in response to your request for site approval for each proposed site (through us or our appointed representatives). (Development Agreement, Section 4.3.2.)

CONFIDENTIAL MANUALS

The table of contents of the current Franchise Operations Manual is attached as Exhibit A to this Disclosure Document. The Franchise Operations Manual currently contains 205 pages. Our online curriculum and training resources do not have a table of contents, but they are summarized in Exhibit A. We consider these materials to be proprietary and confidential, and you are bound by the Franchise Agreement to keep them confidential.

PRICING

We may, if permitted by governing law, establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services, including required participation in systemwide discount programs and promotions. If we do not establish such pricing requirements, then you will have the right to determine the prices you charge.

ADDITIONAL PROGRAMS

Sylvan has developed additional programs and may continue to develop other additional educational programs and packages, such as the Sylvan Edge and the ACE IT! Program, which are included in the Franchise Agreement. If Sylvan develops additional education programs, Sylvan may, but is not obligated to, offer the additional programs to franchisees; however, Sylvan reserves the right to require franchisees to offer the additional programs in the Franchised Business as part of the Franchise Agreement.

SITE SELECTION

The Franchise Agreement will contain a Protected Area. You must submit our form of a site application for each site you identify, which we will review and notify you whether we accept or reject your proposed site. Upon our acceptance of a site, you must execute a lease within the lease deadline specified in the Franchise Agreement, which is a maximum of 180 days after the effective date of the Franchise Agreement. At least 30 days before you execute the lease, you must provide a copy to us for our approval. Failure to sign a lease within this period is a default of the Franchise Agreement for which we will have the right to terminate the Franchise Agreement if you fail to cure the default within seven days after delivery of written notice of default.

We will provide you with site selection assistance as we consider advisable, including providing our site selection guidelines and design specifications and conducting an on-site evaluation of the proposed site; however, we will not conduct an on-site evaluation for any proposed site prior to the receipt of the complete site application. If we conduct an on-site evaluation, you must reimburse us for our out-of-pocket expenses incurred in connection with the evaluation. We do not own and lease premises to franchisees.

If we do not notify you in writing that we approve a site you propose, we will be deemed to have rejected the proposed site. No site may be used for the location of the Franchised Business unless we first approve it in writing.

Under the Development Agreement, you will have the right to develop, open, and operate up to three Sylvan Learning businesses within a certain Development Area that we determine. Upon development of each Franchised Business, we will identify a Protected Area that is within your Development Area in which you shall identify a suitable site. We will follow the procedure outlined above, or our then-current procedure if different, regarding executing a lease. Each Sylvan Learning Franchised Business must be developed and opened according to our then-current system standards and other approval requirements, and pursuant to the corresponding Franchise Agreement.

TYPICAL TIME BETWEEN SIGNING (OR FIRST PAYMENT) AND OPENING FOR BUSINESS

The typical length of time between signing the Franchise Agreement and the opening of your Primary Center ranges from six to nine months, depending on whether the site is known at the time the Franchise Agreement is signed. You must open your Primary Center no later than 273 days after you sign your Franchise Agreement. You must complete all portions of the initial training before you open your Primary Center, but no later than six (6) months from the time you sign the Franchise Agreement. Factors affecting this range include site availability, lease negotiations, lender approvals, city zoning, permitting, use restrictions, construction time (especially when a new building is being constructed), governmental inspections and regulations, and other factors, such as force majeure that are outside our control.

If you receive advance approval from us, you may begin offering and delivering virtual services in your ~~Territory~~Protected Area (defined in Item 12 below), or operating one or more Satellite locations in your ~~Territory~~Protected Area, at any time during period before you are required to open your brick-and-mortar

Primary Center, so long as you already have completed satisfactorily, and caused your staff to complete satisfactorily, initial training.

INITIAL TRAINING PROGRAM

We provide an initial training program ("Initial Training Program"), where you must ensure that the following initial training requirements are met in connection with opening your Primary Center or commencing delivery of Sylvan programs at any other site, whether in person or online.

We provide you and your staff certain training through ~~our "~~Sylvan University~~" department and through "Sylvan University"~~ ("SU"), our proprietary online learning management system for Sylvan franchisees and staff. ~~The~~Further, the Manual contains the detailed requirements and features of our training programs for the respective system at any given time. We may also offer training via instructor-led in-person sessions, group webinars, and online via SU, video conference, and online discussion boards. ~~We may change our training requirements (including without limitation programs and fees) from time to time via changes to our Manual, or otherwise in writing, and you and your staff must comply with such changed requirements. The "Training Programs" chart later in this Item 11 provide details of training programs we currently offer as of the issuance date of this disclosure document.~~

~~Our Initial Training Program; Your Initial Training Requirements~~

~~We provide an initial training program ("Initial Training Program"), which we describe later in this Item 11. You must ensure that the following initial training requirements are met in connection with opening your Primary Center or commencing delivery of Sylvan programs at any other site, whether in person or online:~~

TRAINING ~~PROGRAMS~~PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	~~Training Description~~Location	~~Location~~
Franchise Fundamentals (Franchisee Certification Part I)	10	35.5	Online in SU; live webinars through video conference; in a Sylvan Learning Center of Sylvan's choosing.	
~~Initial Training Program[1]:~~ Center Operations (Franchisee Certification Part ~~I and~~ II)	~~40~~13	~~32~~13.5	~~Part I: Approximately 3 hours of online self-directed activities, 8 hours of live webinars, 2 hours of on-demand training, followed by one week (40 hours) of live, in-person, training in a Sylvan Learning Center designated by Sylvan.~~ ~~Part II: A series of 9, 1.5-hour live webinars over a three-week period, plus approximately 5.5 hours of independent activities.~~ ~~Several personal consultations are also required and~~	~~Online in SU.~~ ~~Live Webinars via Zoom.~~ ~~In a Sylvan Learning Center of Sylvan's choosing.~~ ~~Participants will secure their own travel and lodging arrangements, as~~

Subject	Hours of Classroom Training	Hours of On-The-Job Training	~~Training Description~~Location	~~Location~~
			~~conducted throughout this training. (Duration varies.)~~Online in SU; live webinars through video conference; in a Sylvan Learning Center of Sylvan's choosing.	~~necessary.~~
~~Optional Training Courses on SU~~[2]Annual Conferences[3]	~~0~~24	0	~~Approximately 100 hours of online self-directed activities and training in addition to the other programs in this table.~~In-person or online in SU	~~Online in SU.~~
~~In-Center Training~~[3]	~~6~~	~~0~~	~~0~~	~~Varies.~~
~~Annual Conferences~~[4]	~~24~~	~~0~~	~~0~~	~~In-person; varies.~~
~~**Total**~~	~~**70**~~	~~**32**~~		
Total	**47**	**49**		

One week before your grand opening of your Primary Center, we will conduct the in-person training portion of the Initial Training Program. We offer approximately 100 hours of online self-directed activities and training in addition to the other programs through SU, which is optional before your grand opening but highly recommended to be completed after your grand opening. All training may be held in-person, online, or at the location that we designate (which may be Sylvan's office in Bedford, Texas or at a Center), at our option. We may modify the location of training or the format (e.g., utilizing Zoom or another virtual interface) at any time. We may change our training requirements (including without limitation programs and fees) from time to time via changes to our Manual, or otherwise in writing, and you and your staff must comply with such changed requirements.

NOTE 1: This Initial Training Program consists of two sequential components that franchisee (you or, if the Franchisee is a corporation, one of its shareholders) must complete in connection with opening your Center to the public, as described above. We provide ~~Franchisee~~training for up to three members of your staff (including yourself).

The Initial Trai ~~Curriculum: Our Franchisee Certification program begins with a conference call with a Franchise Business Consultant. During that consultation, the recommended sequence of training courses for you and your stakeholders as well as scheduling details will be discussed. Among other subjects, the Franchisee Certification~~ program covers an overview of a Center's educational services, the customer lifecycle, marketing, sales, operations, management, Center technologies, education, SylvanSync, Satellites, and online reputation management.

Fees: Currently, you receive up to two seats in our Franchisee Certification program at no charge under your Initial Franchise Fee, as long you and your Designated Manager have completed the Initial Training

Program to our satisfaction within 180 days of signing the Franchise Agreement. We may charge you an Initial Training Fee or an Additional Training fee (as described in Item 6) if you have to offer you the Initial Training Program off our regular schedule, if you wish more than two people to participate in the Initial Training Program, or if you are required to send individuals to re-train to meet our requirements.

NOTE 2: SU also contains approximately 100 hours of additional single-subject and curriculum trainings. All trainings are self-directed and offered online. There is no additional fee for any of these trainings so long as you are current on payment of your royalty. Our then-current online trainings are available online at all times.

~~**NOTE 3:** We may, but are not obligated to, offer trainings to you and your staff on an ad hoc basis at your Center, or at another location we select at our discretion.~~

NOTE 43: Sylvan will hold an Annual Conference at a location we determine. We will determine the topics and agenda for Annual Conferences, which generally include updating our franchisees on new developments affecting them and exchanging information between our franchisees and our personnel concerning the operations and programs of Centers. You must pay all costs and expenses you or your staff who participate incur, including travel and living expenses and wages for you and your staff. ~~The current fee for the Annual Conference is approximately $1,000 per person and is subject to change from time to time based on Sylvan's costs related to the Annual Conference and in Sylvan's sole discretion.~~If you miss attending the live conference, the conference materials will be made available to you in SU for your review.

The training that Sylvan provides to you and to your employees does not constitute employment, direction, or supervision of you or your employees by Sylvan. You shall be fully and solely responsible for all employment actions and decisions related to your employees during training and during their employment in the Franchised Business.

Instructors

Erin Conery is the Senior Director of Training and Communication. She holds a B.A. in Comprehensive English Education from University of Wisconsin–Eau Claire and an M.S. in Instructional Design from Walden University. After working in franchised Sylvan Learning Centers for 3 years, Erin joined the Sylvan Franchise Services team in 2006 and began training SylvanSync in November 2011. Erin has over 20 years of training, teaching, and facilitation experience.

~~Leslie Poteet is the Vice President of Operations. Leslie holds a B.A in English from Suffolk University and an M.A in Classical Studies from Boston University. After working in both company-owned and franchised Centers for five years, Leslie joined the Sylvan Franchise Services team in 2011 and began training on contract services and SylvanSync. Leslie has 18 years of training, operations, business development, and product management experience.~~

Many other instructors will be involved in training franchisees. Many instructors are experts in education generally and Sylvan in particular. They have backgrounds in one or more areas including education, instructional design, technology, marketing, business development, and management.

COMPUTER SYSTEMS

We may establish and maintain an intranet facility through which Sylvan Learning businesses may communicate with each other and through which we may disseminate updates to the Manual and other confidential information. We will have no obligation to maintain the intranet indefinitely. We will establish policies and procedures for use of the intranet which will address issues such as: (1) code of conduct with respect to communications; (2) confidential treatment of materials we transmit via the intranet; (3) password protocols and security precautions; (4) grounds and procedures for suspending or revoking a franchisee's access to the intranet; and (5) privacy policies governing our access to and use of the intranet. All content communicated via the intranet will become our property. You must purchase and

install all necessary additions to your technology system and establish and maintain electronic connection with the intranet that allows us to send and receive messages from you. Your obligation to maintain the intranet will continue until your Franchise Agreement expires or is terminated (or, earlier if we cease to maintain the intranet).

You must acquire and use all computer systems that we prescribe for use by our franchisees and may not use any computer system or components or software applications that do not conform to the Standards or that we have not approved in writing. Requirements may include, among other things, hook up to remote servers, off-site electronic repositories, and high-speed internet connections and service. We may require you to update or upgrade computer hardware components and software applications as we deem necessary, but not more than three times per calendar year. You must enter into all applicable software license agreements and software maintenance agreements, in the form and manner we prescribe, and pay all fees charged by third-party software and software service providers, whether billed to you directly or passed through by us. At our request, you must sign or consent to a "terms of use" agreement regarding all software applications that we designate. We may independently access from a remote location, at any time, all information input to, and compiled by, your computer system or an off-site server, including information concerning sales, purchase orders, inventory, and expenditures. There are no contractual limitations to our right to access the information and data.

We require all franchisees to purchase a desktop computer and printer for back of the house needs, and we require all franchisees to acquire and use the ~~Point of Sale~~point-of-sale ("POS") system that we designate, including payment of the monthly licensing requirements related to the use of such POS. Neither we nor any of our affiliates or any third party is obligated to provide ongoing maintenance, repairs, upgrades or updates to any computer hardware or software (including without limitation your POS).

The initial equipment you must acquire includes necessary computer systems worth an estimated $~~12,000~~7,500 to $~~20,000~~14,000. Your required initial equipment includes three to five computer workstations with required operating software, 12 to 21 iPad (7th generation or later) devices, 12 to 21 covers/screen protector kits for the iPads, one printer and copier (combined or separate), and a small office/business firewall and wireless access point. You must purchase or lease a minimum of twelve Apple iPad (7th generation or later) devices for each Center, unless we grant prior approval for a lower inventory. You must have a sufficient number of iPads, accessories, and peripherals (including but not limited to keyboards and headphones for programs that require them) to serve all students enrolled in SylvanSync programs. We provide certain of the other equipment and licensed software at no additional cost to you. The requirement to purchase the technology package may be waived for those prospective franchisees that purchase an existing location that is using a technology package that is not out-of-date. We can confirm if a technology package is required upon your request.

You must license our proprietary office management software that includes proprietary front desk management and point of sale system, online enrollment system, automated e-mail marketing tool, customer management system, and any other technology or software and respective updates that we may implement from time to time (the "Sylvan Software"). The license also gives you access to a franchisee website and related extranet services. You must pay the monthly Technology Fee of $114 per month per Center, and up to $750 per month per Center, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year or in an amount equal to any increase passed on by the applicable third-party vendors.

In addition, we require you to obtain Internet service with e-mail capability from an internet service provider ("ISP"). The fee to obtain Internet from an ISP is typically $80-$120 per month and monthly on-line costs typically range from $50-$250. We may also require that you connect to a web-based application, such as franchise management software, which enables us to independently access and poll the information on your POS system. There is no contractual limitation on our right to independently

access this information. We will not have independent access to the information generated by or stored on your personal computer.

We reserve the right to develop and implement various technologies, software, or systems for the benefit of the System, in which case we may require you to adopt and use such technologies, software, or systems, and require you to pay our then-current Technology Fee as published in the Manual periodically. There is no contractual limitation on our right to implement such programs. We have had a loyalty program in the past and may implement a loyalty program for your customers in the future. If we do so, you will be required to participate and sign addenda to participate in these programs. We may develop additional customized communications software, payment systems, or other systems, and may charge additional equitable fees, and in that event, you must sign additional software license and maintenance agreements.

You must, at your own expense, maintain your computer systems and network in good repair and working order and properly update and otherwise change your computer hardware and software systems as we may require. You must pay all amounts charged by any licensor of the systems and programs you use, including charges for use, maintenance, support and update of these systems or programs. There is no contractual limitation on our ability to require the hardware and any software programs be updated.

All customer information we obtain from you and all customer information you collect from customers (collectively, "Customer Data") and all revenues we derive from such Customer Data will be our property and our confidential information that we may use for any reason without compensation to you, including making financial performance representations in our franchise disclosure documents. You will assign all rights in Customer Data to us. You will provide copies of all Customer Data to us upon request. At your sole risk and responsibility, we may grant you the right to use Customer Data that you acquire solely in connection with operating the Franchised Business to the extent your use is permitted by governing law. Upon expiration of your Franchise Agreement, all copies of Customer Data must be returned to us and removed from your POS, computer hardware and software and any other form of electronic media or hard copy in your possession or to which you have access.

You will: (1) comply with all applicable privacy laws ("Privacy Laws"); (2) comply with all Standards that relate to Privacy Laws and the privacy and security of Customer Data; (3) comply with any posted privacy policy and other representations made to the individual identified by Customer Data you process and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (4) refrain from any action or omission that could cause us to breach any Privacy Laws; (5) maintain reasonable physical, technical and administrative safeguards for Customer Data and other Confidential Information that is in your possession or control in order to protect the same from unauthorized processing, destruction, modification or use that would violate the Franchise Agreement or any Privacy Law; (6) do and sign, or arrange to be done and signed, each act and document we deem necessary in our business judgment for us to maintain compliance with Privacy Laws; and (7) immediately report to us any theft or loss of Customer Data (other than the Customer Data of your own officers, directors, shareholders, employees or service providers).

You will, upon our request, provide us with information, reports and the results of any audits performed on your Franchised Business regarding your data security policies, security procedures or security technical controls related to Customer Data. You will, upon our request, provide us or our representatives with access to your technology systems and related records, policies and practices that involve processing Customer Data in order to mitigate a security incident or so that an audit may be conducted.

You will indemnify, defend and hold us harmless from losses arising out of or relating to: (1) any theft, loss or misuse of Customer Data; and (2) your breach of any of the terms, conditions or obligations relating to data security, privacy or Customer Data set forth in the Franchise Agreement.

You will immediately notify us upon discovering or otherwise learning of any theft, loss, or misuse of Customer Data. You will, at our discretion: (1) undertake remediation efforts at your sole expense; (2)

undertake effort to prevent the recurrence of the same type of incident; and (3) reasonably cooperate with any remediation efforts undertaken by us. You will not make any public comment regarding any data security incident without our prior written approval. Any notifications to the media or to customers of the Franchised Business regarding theft or loss of Customer Data will be at our sole discretion, handled exclusively by us and you may not contact any customers relating to such theft or loss except at our direction or as required by governing law, in which event you must notify us in writing promptly after concluding that you have the legal obligation to notify customers and you will limit such notice to the customers to whom you are legally required to provide notice. You will reasonably cooperate with us in connection with any notice to customers and will assist in sending notices to such customers at our request.

In running the Franchised Business, you must use the email address(es) and email domain name(s) that we specify. These specifications are subject to change by Sylvan. Your dedicated email addresses must be used only in operating your Franchised Business and not for any other purpose.

ADVERTISING

We have no obligation to conduct advertising, except through the National Advertising Fund ("NAF") described below. If we conduct media advertising, we may use direct mail, print, radio, Internet, or television, which may be local, regional, or national in scope. We may produce the marketing materials in-house or employ a local, regional, or national advertising agency. We are not obligated to conduct any advertising or marketing programs within your market. Our Standards allow us to require you to contract with Designated Suppliers for reputation management and net promoter score responses, as well as to allow us or the reputation management providers to respond to all website inquiries or other inquiries for all franchisees.

We have established and maintain a URL website promoting Sylvan Learning system and identifying the location of Sylvan Learning businesses. You will participate in all system-wide promotions that we conduct.

NATIONAL ADVERTISING FUND

Once established, we will administer the NAF for the creation and development of marketing, advertising, and related programs, campaigns, and materials for the implementation of our brand positioning. As noted in Item 6, you will pay to Franchisor a continuing, non-refundable monthly contribution of up to 5% of monthly Gross Sales ("NAF Contribution"). We reserve the right to suspend or decrease the NAF Contribution at any time upon 30 days' prior notice to you. Any corporate-owned Sylvan Learning locations will contribute to the NAF at the same rate as franchisees.

We direct all initiatives related to the positioning of the brand using the NAF, including advertising and marketing programs (for example, research methods, branding, creative concepts and materials, sponsorships, and endorsements used in connection therewith); selection of geographic and media markets; and media placement and the allocation thereof. We may use the NAF to pay the costs of research (including product and services research and development), market research (for example, customer engagement with the brand, including design and décor, concept development, uniform design, customer service techniques, customer research, surveys, and focus groups) creation and production of video, audio, electronic, and written advertising and marketing programs; administration of regional, multi-regional, and national advertising and marketing programs, customer research and surveys, and testing and related development activities; promotional events; purchasing and participating in online, social media, radio, television, and billboard advertising and programming; employment marketing, advertising and promotional agencies to assist therewith; conducting community relations activities; supporting public relations, maintenance of the System websites, and online presence; and other advertising, marketing, and promotional activities as we determine are appropriate for Sylvan Learning businesses, the Proprietary Marks and the System. You will ultimately be responsible for the costs associated with the placement of any such marketing and media for the Franchised Business. The NAF

will furnish you with samples of advertising, marketing formats, promotional formats, and other materials at no additional cost when we deem appropriate. Multiple copies of those materials will be provided to you at your sole cost.

The NAF is accounted for separately from our other funds, is not used to defray any of our general operating expenses, but may be used to cover reasonable salaries, administrative costs, travel expenses, and overhead as we may incur in activities related to the administration of the NAF and its programs, including as described above and with respect to collecting and accounting for contributions to the NAF. We do not use NAF funds to solicit new franchise development. We do not act as trustee with respect to the NAF and have no fiduciary duty to you or your affiliates, owners, or any other franchisees. We may spend, on behalf of the NAF, in any fiscal year, an amount that is greater or less than the aggregate contributions to the NAF in that year, and the NAF may borrow from us or others to cover deficits or may invest any surplus for future use. All interest earned on monies contributed to the NAF will be used to pay advertising costs before other assets of the NAF are expended. The NAF is not audited. We will, upon your written request (but no more than once annually) provide a copy of our unaudited annual statement of monies collected and costs incurred by the NAF. We have the right to cause the NAF to be incorporated or operated through a separate entity we own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.

Although we endeavor to utilize the NAF to develop advertising and marketing materials and programs and to place advertising that will benefit the System, we have no obligation to ensure that expenditures by the NAF in or affecting any geographic area are proportionate or equivalent to the contributions to the NAF by Sylvan Learning businesses in that geographic area or spent marketing your Center. Nor are we under any obligation to ensure that any franchisee will benefit directly or in proportion to its NAF Contribution from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing, or administering the NAF. We reserve the right to suspend or terminate (and, if suspended or terminated, to reinstate) the NAF. If the NAF is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees in proportion to their respective contributions to the NAF accrued during the preceding three-month period, and those amounts will be spent on local marketing.

Sylvan previously established a legacy advertising fund ("Legacy Fund") into which only franchisees who signed certain legacy license agreements contribute, which is administered by SLC National Advertising Fund, Inc. These franchisees will not contribute to the NAF and will continue to contribute to the Legacy Fund. Franchisees who execute the franchise agreement disclosed in this disclosure document and thereafter will contribute to the newly established NAF. ~~We did not collect any NAF contributions in fiscal year 2024.~~In our last fiscal year ended December 31, 2025, we spent approximately 76.9% of the NAF on production, 13.0% on media placement and 10.1% on administration. At the end of the year, we will carry over to the following year any advertising fees we have not spent and will use these monies for advertising and marketing.

UNLEASHED FUND

We have the right to establish an advertising fund separate from the NAF, which we call the Unleashed Fund. You will not contribute directly to the Unleashed Fund. The Unleashed Fund is identical to the NAF except that the funds are spent marketing all of the Affiliated Brands under the Unleashed Brands umbrella. When the Unleashed Fund is established, the NAF may contribute up to 15% of its monthly balance to the Unleashed Fund. Each of the Affiliated Brands are expected to contribute to the Unleashed Fund, except the percentage contributed by each Affiliated Brand's fund may vary. Only the Affiliated Brands that contribute to the Unleashed Fund are included in the advertising conducted by the fund. The Unleashed Fund is not audited, and we are not required to provide you a report of Unleashed Fund. We will have the right to cause the Unleashed Fund to be incorporated or operated through a separate entity our affiliates own and manage if we deem it appropriate, and the successor entity will have all of the

same rights and duties.

If we are required to do so by your state law, we will within 60 days after your written request (but no more than once annually) provide a copy of our unaudited annual statement of monies collected and costs incurred by the Unleashed Fund. In our last fiscal year ending December 31, ~~2024~~2025, we did not create or maintain an Unleashed Fund.

LOCAL MARKETING EXPENDITURE

You must make the Local Marketing Expenditure which is (i) 6% of monthly Gross Sales (revenue derived from Sylvan Edge and ACE IT! are excluded) or $1,500 per month, whichever is greater, and (ii) 3% of monthly Gross Sales generated under the Sylvan Edge program. At our request, you must provide us copies of invoices and other documentation reasonably satisfactory to us to evidence your compliance with this obligation. If we determine that you have failed to comply with the Local Marketing Expenditure requirement for any period, we may notify you of any additional amounts that you must spend (up to the then-current percentage of Gross Sales required by us) on local marketing, and if you have not spent such additional amounts (in addition to any ongoing marketing requirements) within the time period required by us, we may collect those unspent amounts directly from your account and contribute them to the NAF, without any liability or obligation to use such funds for your local advertising. We will provide you not less than 30 days' notice of any change in the amount of your Local Marketing Expenditure. Alternatively, at our discretion, we or our affiliate may collect these monies from you and place the advertising on your behalf.

You must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area only. "Direct marketing activities" include personal solicitations, direct mailings, sporting event sponsorships and advertising, and school event sponsorships and advertising but do not include website advertising, targeted emails, or text messages to existing customers. We may develop policies and procedures that apply to all types of advertising and marketing efforts, including social media advertising, and you must comply with those policies and procedures. You may not conduct marketing activities outside of your Protected Area, unless we provide you written consent specifically identifying the additional areas and time frame in which you may market outside of your Protected Area.

Your promotional and marketing materials must comply with governing law and conform to our standards and specifications related to advertising, marketing, and trademark use. You must submit to us samples of proposed promotional and marketing materials, and notify us of the intended media, before first publication or use. We will use good faith efforts to approve or disapprove proposed promotional and marketing materials within 10 business days after receipt. You may not use the promotional or marketing materials until we expressly approve the materials and the proposed media. Once approved, you may use the materials only in connection with the media for which they were approved. We may disapprove your promotional or marketing materials, or the media for which they were approved, at any time, and you must discontinue using any disapproved materials or media upon your receipt of written notice of disapproval.

As stated in Item 6, we reserve the right to identify a Designated Supplier of local and regional marketing services and establish a system-wide supply contract for local and regional marketing services, which may be one of our affiliates. Under these circumstances, we may collect all or a portion of the Local Marketing Expenditure and apply it to fees payable to the Designated Supplier for those marketing services. If the full amount of the Local Marketing Expenditure is applied to fees due under a system-wide supply contract, you may, but are not required, to conduct additional or supplemental local marketing activities as permitted under the Franchise Agreement. If we collect less than the full amount of the Local Marketing Expenditure, you must spend the remaining Local Marketing Expenditure on marketing activities in your Protected Area as permitted under the Franchise Agreement.

ADVERTISING COOPERATIVE

If we believe that two or more Sylvan Learning businesses may benefit by pooling their advertising dollars, we may form a local or regional Advertising Cooperative for this purpose. If we form an Advertising Cooperative for the region in which your Franchised Business is located, your membership to the Advertising Cooperative is automatic, and you must participate in the Advertising Cooperative. Contributions to the Advertising Cooperative will be credited toward your Local Marketing Expenditure. We have the right to create, dissolve, and merge Advertising Cooperatives. We will also have the power to require Advertising Cooperatives to be formed, changed, dissolved, or merged, and to create and amend their governing documents. No Advertising Cooperative has yet been created and, therefore, no governing documents are available for your review.

Governing documents will provide that any Advertising Cooperative created under authority of the Franchise Agreement will (1) operate by majority vote, with each Sylvan Learning business (whether franchised or affiliate-owned or managed) being entitled to one vote, (2) entitle us to cast one vote (in addition to any votes we may cast for affiliate-owned locations), (3) permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions, and (4) provide that any funds left in the Advertising Cooperative at the time of its dissolution be returned to the members in proportion to their contributions made during the 12-month period immediately preceding dissolution. All members (including company-owned and our affiliate-owned locations) will contribute at the same rate. The majority vote will determine the level of contributions. We do not currently expect that company-owned or affiliate-owned Sylvan Learning businesses will have majority voting power in any Advertising Cooperative, but if they do, the required contribution to the Advertising Cooperative for each member will not exceed $10,000 per year without consent of a majority (i.e., 51%) of franchisee members of such Advertising Cooperative.

GRAND OPENING ADVERTISING

You must conduct a grand opening advertising and promotional program before and after the Franchised Business opens for business in accordance with the Standards set forth in the Manual and using our required Designated Suppliers. We will consult with you in planning the grand opening program. You must spend between $10,000 and $15,000 in connection with your grand opening, which will begin 60 days prior to the grand opening and continue for 60 days after your grand opening. If we choose, all or a portion of this grand opening expenditure should be submitted to us or an affiliate for processing through our required media partner no later than 60 days prior to planned opening or once the grand opening media plan is submitted to you. This amount is in addition to the other required advertising investments described in this Item 11.

ADVERTISING COUNCIL

There currently are no franchisee advertising councils or Advertising Cooperatives that advise us on advertising policies. In our discretion, we reserve the right to establish an advisory council of franchisees that does advise us on advertising policies and other matters.

ITEM 12: TERRITORY

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

FRANCHISE AGREEMENT

You must operate your Franchised Business at a site approved by us ("Approved Location") within the Protected Area as identified in the Franchise Agreement. In most instances, we will identify a Protected Area when you sign your Franchise Agreement. The "Protected Area" will be determined by us and may be based upon any or all of the following: zip codes, geographic boundaries, or a radius surrounding the Approved Location. There is no minimum Protected Area. Typically, but not in all cases, available

Protected Areas will have i) an average household income above $65,000, and ii) encompass a population of approximately ~~8,000~~15,000 to 20,000 students aged 4 to 18, based on the most recent U.S. Census or other publicly available data that we designate. The boundaries of your Protected Area may be altered only by written consent of the parties, except as provided in your Franchise Agreement with respect to any default of your representations, warranties, covenants or obligations therein. If you co-brand with an Affiliated Brand, your Protected Area may be different from the protected area granted under the Affiliated Brand's franchise agreement.

During the term of and subject to your compliance with the Franchise Agreement and any other agreement between you and us or our affiliates, we will neither operate nor grant others the right to operate another Sylvan Learning business in the Protected Area, except for those rights reserved to us and our affiliates. This restriction will not apply to any Sylvan Learning business that is operating or in development within the Protected Area as of the effective date of the Franchise Agreement. The Protected Area may overlap with or be overlapped by the protected area of other Sylvan Learning franchisees or locations that our affiliates own or operate, so long as there are no other Sylvan Learning businesses in the area of overlap.

We retain for ourselves and our affiliates all other rights in and to the Proprietary Services, Proprietary Marks, Indicia, and System, including: (1) the right to own and operate and to grant others the right to own and operate Sylvan Learning businesses at any location outside the Protected Area, regardless of proximity to the Protected Area; and (2) the right to sell certain programs, services, and products anywhere, directly or through third party merchandisers, with or without trademarks, through any other channels of distribution, including retail, wholesale, mail order, electronic, direct mail, the Internet or any other form of e-commerce except a Franchised Business, whether or not such sales occur within your Protected Area. You are not entitled to compensation for any such sales made in your Protected Area. We also may establish and operate, and license others to establish and operate, other types of businesses (including those franchised by our affiliates) under the Proprietary Marks or under other marks, and we or our affiliates may acquire, be acquired by, or be merged or consolidated with such businesses.

As stated in Item 11, you must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area (even if they overlap another franchisee's protected area). We may develop policies and procedures that apply to all types of advertising and marketing efforts, including Social Media advertising, and you must comply with all policies and procedures that we develop. You may not conduct marketing activities outside of your Protected Area, unless we provide you with written consent specifically identifying the additional areas and time frame in which you may market outside of your Protected Area. You may not sell products through alternative channels of distribution, such as the Internet, direct mail, telemarketing, or other direct marketing without our consent. Continuation of your territorial protection under the Franchise Agreement does not depend on you achieving a certain sales volume, market penetration, or other contingency.

You may relocate your Franchised Business only within the Protected Area and with our written consent. If your lease expires or terminates through no fault of yours, or if the Franchised Business premises are destroyed or materially damaged by fire, flood, or other natural catastrophe and you are not in default of any agreement with us, we will permit you to relocate to another location within your Protected Area. If we grant relocation rights for this reason, you must open the Franchised Business for business at the new location within 180 days of closing the original location. If we permit you to relocate the Franchised Business for any other reason, you must open the Franchised Business for business at the new location within 30 business days of closing the original location.

DEVELOPMENT AGREEMENT

When you execute your Development Agreement, we will identify a Development Area in which you will open your Sylvan Learning businesses. During the term of the Development Agreement, we will not own or operate, or grant anyone else the right to operate a Sylvan Learning business within the

Development Area. Upon expiration or termination of the Development Agreement, your rights to the Development Area also terminate, except for the Protected Areas defined in each Franchised Business's Franchise Agreement.

ADDITIONAL FRANCHISE RIGHTS

Other than what is set forth in your Franchise Agreement and Development Agreement, we do not grant you any options or rights of first refusal to acquire additional franchises.

AFFILIATES' BUSINESSES

Certain products or services from our affiliates Class 101 and Snapology, whether currently existing, in research and development, or developed in the future, may be distributed in your ~~Territory~~Protected Area by our affiliates, or its franchisees or designees, in the manner and through such channels of distribution as our affiliates determine at its sole discretion without compensation to you. Class 101, whose principal business address is the same as Sylvan's principal business address, currently offers franchises for CLASS 101 franchised businesses, which provide advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college; Class 101 may also provide certain ACT, SAT, and other testing preparation services under the CLASS 101 name. Snapology, whose principal business address is the same as Sylvan's principal business address, currently offers franchises for SNAPOLOGY franchised businesses, which provide curriculum-based courses, events and hands-on learning experiences using LEGO® brand bricks, K'Nex® brand toys, and other building toys, robotics, animation, coding and engineering techniques; Snapology may also provide certain STEM classes and camps under the SNAPOLOGY name. Class 101 and Snapology may also offer other services and products that may overlap with Sylvan's services and products. While the principal business addresses for Snapology, Class 101, and Sylvan are the same, Class 101 and Snapology each maintain training facilities that are physically separate from Sylvan. Snapology and Class 101 franchisees may solicit or accept customers near your Franchised Business and in your ~~Territory~~Protected Area. We do not expect any material conflicts between Sylvan franchisees and Snapology and Class 101 franchisees regarding territory, customers, or support because the principal products and services offered by each do not materially overlap. However, we intend to use reasonable efforts to resolve any conflicts that might arise in the future.

ITEM 13: TRADEMARKS

We grant you the right to operate your Center under the name Sylvan Learning Center. Upon our approval, you also may use our other principal trademarks listed below to identify your facility and services provided at your facility. The term "principal trademarks" means primary trademarks, service marks, names, logos, and commercial symbols used to identify the franchise. You will operate your franchise under these primary trademarks and any other name or mark that we designate. You may also use our other current or future marks to identify your franchise, as we designate.

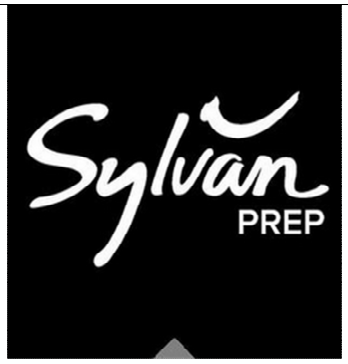
UNITED STATES REGISTERED MARKS

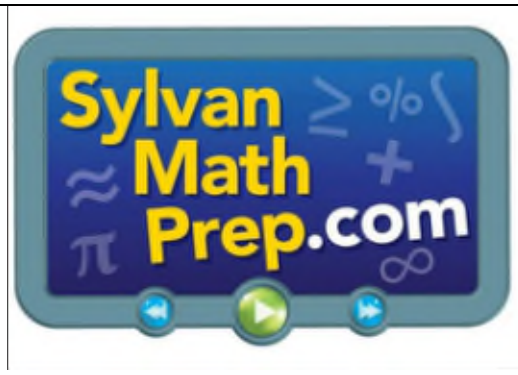
We or our predecessors have registered the following principal trademarks with the United States Patent and Trademark Office ("USPTO"). All trademarks are registered on the Principal Register unless otherwise indicated:

Mark	Registration No.	Registration Date	International Class
ACE IT!	3392255	Mar-04-2008	41
ACE IT! TUTORING	3402237	Mar-25-2008	41

FIT4ALGEBRA	5611426	Nov-20-2018	41
LEARNING SHOULD BE PERSONAL	4713224	Mar-31-2015	41
LEARNING STRATEGIES THAT WORK	4732145	May-05-2015	41
MATH EDGE	5000236	Jul-12-2016	41
~~MATH ESSENTIALS~~	~~2748188~~	~~Aug 05 2003~~	~~41~~
	3584877	Mar-03-2009	41
MOTIVATION STATION	3750780	Feb-16-2010	35
(Mod) MySylvan	4724438	Apr-21-2015	35, 38, 41, 42
SCHOOLMATHPREP	3773786	Apr-06-2010	41
SYLVAN	4272367	Jan-08-2013	35
SYLVAN	1410891	Sep-23-1986	41
~~SYLVAN ADVANCED STUDY SKILLS~~	~~4732189~~	~~May 05 2015~~	~~41~~
SYLVAN EDGE	5088525	Nov-22-2016	41
SYLVAN EDGE	5346515	Nov-28-2017	16
	5088526	Nov-22-2016	41

	5335728	Nov-14-2017	16
	5142207	Feb-14-2017	41
SYLVAN IN HOME TUTORING	3292721	Sep-18-2007	41
SYLVAN INSIGHT	4227443	Oct-16-2012	41
SYLVAN LEARNING	3732803	Dec-29-2009	16, 41
	3735313	Jan-05-2010	09, 16, 41
	5000235	Jul-12-2016	16, 41
	5329939	Nov-07-2017	16, 41

	4990491	Jun-28-2016	41
SYLVAN LEARNING CENTER	5335718	Nov-14-2017	41
SYLVAN NATION	5684034	Feb-26-2019	41
	5743382	May-07-2019	41
	5142208	Feb-14-2017	41
	5087116	Nov-22-2016	41
SYLVAN TUTORING	4883227	Jan-05-2016	41

	5014723	Aug-02-2016	41
	5014722	Aug-02-2016	41
SYLVANMATHPREP	3805931	Jun-22-2010	41
	3805930	Jun-22-2010	41
SYLVANPREP	5091397	Nov-29-2016	41
SYLVANPREPONLINE	4791096	Aug-11-2015	41
SYLVANSYNC	4756178	Jun-16-2015	09
SYLVANSYNC	4467950	Jan-14-2014	41

We have filed all required affidavits and renewal documentation for all registered marks listed above.

We have applied to register the following mark with the USPTO:

Mark	Serial Number	Filings Date	International Class
TOGETHER, WE'VE GOT THIS.	99/423,845	Oct-01-2025	09, 16, 36, 41, 42

We do not have a federal registration for the above Proprietary Marks. Therefore, these Proprietary Marks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We do not know of any presently effective determinations of the ~~United States Patent and Trademark Office~~USPTO, the trademark trial and appeal board, the trademark administrator of any state or any court, any pending infringement, opposition, or cancellation proceeding or any pending material litigation involving these trademarks which is relevant to their use in any state in which your franchise is to be located.

USE OF PROPRIETARY MARKS

There are no agreements currently in effect that significantly limit our rights to use or to license the use of the Proprietary Marks in any manner material to the Franchised Business. We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to you.

You must use the Proprietary Marks in full compliance with provisions of the Franchise Agreement and according to the trademark usage guidelines and rules we periodically prescribe. You may not use any Proprietary Mark or any marks of our affiliates as a part of your corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed by us to you) and you may not use them to incur any obligation or indebtedness on our behalf. You may not use any name or mark associated with the sale of any unauthorized product or services in any other manner not explicitly authorized in writing by us.

You may use only the Proprietary Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, "®," "™," or "SM," as appropriate. You may use the Proprietary Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner we prescribe. You may not contest ownership or validity of the Proprietary Marks or any registration of the Proprietary Marks, or our right to use or to sublicense the use of the Proprietary Marks. You must sign all documents that we require to protect the Proprietary Marks and to maintain their validity and enforceability.

INTERNET AND SOCIAL MEDIA USAGE

You may not cause or allow all or any recognizable portion of the Proprietary Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator ("URL") or meta-tag, or in connection with any Internet home page, website, landing pages, mobile channels, or any other Internet-related activity without our express written consent, and, then, only in a manner and consistent with our procedures, standards and specifications. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of the registration of any username on any gaming website, personal blogs or social networking website including Facebook, LinkedIn, Yelp, Pinterest, Instagram, TikTok, or X (formerly known as Twitter), or any virtual worlds, file sharing, audio sharing and video-sharing sites. You must comply with our social media and networking policies, which will be provided to you in the Manual and which may be modified, amended, or terminated by us at any time. (Franchise Agreement, Section 13.D.)

You may not independently establish or maintain a web site or other presence on the World Wide Web portion of the Internet, including gaming websites or social networking websites such as Facebook,

LinkedIn, Yelp, Pinterest, Instagram, Tik Tok or X (formerly known as Twitter), that reflects any of the Proprietary Marks or any of our copyrighted works, including the term "SYLVAN LEARNING" or "SYLVAN" as part of its URL or domain name, that otherwise states or suggests your affiliation with us or the System, or that uses or displays any collateral merchandise offered at the Franchised Business, without our express written consent, and, then, only in a manner and consistent with our procedures, standards and specifications. We will create all social media accounts related to the Franchised Business and license such accounts to you for use in promoting the Franchised Business while the Franchise Agreement is in effect. (Franchise Agreement, Section 15.G.) Our social media and networking policies will be provided to you in the Manual and may be modified, amended, or terminated by us at any time. (Franchise Agreement, Section 15.D.)

INFRINGEMENT

If there is any infringement of, or challenge to, your use of any name, mark, or symbol, you must immediately notify us, and we may take any action that we deem appropriate, in our sole discretion. The Franchise Agreement does not require us to take affirmative action if notified of the claim. We have the right to control all administrative proceedings or litigation involving your use of the Proprietary Marks. The Franchise Agreement does not require us to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding based on your use of the Proprietary Marks, or if the proceeding is resolved unfavorably to you. We have the right to designate one or more new, modified or replacement Proprietary Marks for your use and to require you to use the new, modified or replacement Proprietary Marks in addition to or in lieu of any previously designated Proprietary Marks. You must comply with the directive, at your expense, within 60 days following your receipt of written notice of the change. These rights arise only under the Franchise Agreement.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We own the following copyrights, which have been filed with the U.S. Copyright Office. All required documents have been filed.

Copyright	Registration Number	Registration Date
Successful student.	CSN0115829	Jan-01-1995
SYLVAN LEARNING VOCABULARY SUCCESS 3RD GRADE.	TX0006937009	Mar-06-2009
SYLVAN LEARNING VOCABULARY SUCCESS 4TH GRADE.	TX0006937006	Mar-06-2009
This can be the best year your child ever had in school.	TX0001689726	Nov-12-1985
SYLVAN LEARNING READING COMPREHENSION SUCCESS 4TH GRADE.	TX0006937002	Mar-06-2009
SYLVAN LEARNING READING COMPREHENSION SUCCESS 3RD GRADE.	TX0006937289	Mar-06-2009
SYLVAN LEARNING SPELLING SUCCESS 3RD GRADE.	TX0006937010	Mar-06-2009
Sylvan prometric test definition compiler computer program.	TXu000854226	Jan-12-1999
Sylvan prometric Windows test driver computer program.	TXu000854227	Jan-12-1999
SYLVAN LEARNING SPELLING SUCCESS 4TH GRADE.	TX0006936789	Mar-06-2009

~~There~~Aside from the foregoing, there are no patents or registered copyrights, or pending patent or copyright applications, material to the franchise, but we claim copyright protection in many elements of the System including our training and marketing material, the Manual, advertising, confidential operations content, software, designs, creative works, Web pages, and other works of authorship in any media ("Copyrighted Works").

No agreement limits our right to use or license the Copyrighted Works. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Copyrighted Works. We need not protect or defend the Copyrighted Works or take any action if notified of infringement, and you have no obligation to notify us of any infringement. We may take the action we deem appropriate (including no action) and exclusively control any proceeding involving the Copyrighted Works. No agreement requires us to participate in your defense or indemnify you for damages or expenses in a proceeding involving a Copyrighted Work or claims arising from your use of the Copyrighted Works.

You and your Owners and employees must maintain the confidentiality of all trade secrets, the Standards and all other elements of the System, all customer information, all information contained in the Manual, and any other information that we designate as confidential and as trade secrets ("Confidential Information"). Each of your Owners must sign the Undertaking and Guaranty Agreement attached as Attachment D to the Franchise Agreement and the Confidentiality and Non-Competition Agreement attached as Attachment E to the Franchise Agreement. All of your employees with access to Confidential Information must also sign a confidentiality and non-competition agreement that you must prepare according to the jurisdiction in which your Franchised Business is located.

You must promptly notify us of any apparent infringement of, or challenge to, your use of any of the Copyrighted Works or Confidential Information. We are not required to take affirmative action when notified of a claim, or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Copyrighted Works or Confidential Information, or if the proceeding is resolved unfavorably to you, but will take whatever action we determine to be appropriate under the circumstances. We have the right to control all administrative proceedings or litigation involving the Copyrighted Works and Confidential Information. If we or our affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Copyrighted Works or Confidential Information, you must sign all documents and perform such acts and things as, in the opinion of our legal counsel, may be necessary to carry out the defense or prosecution.

If you or any of your Owners develops any new concept, product, sales technique, or improvement in the operation or promotion of the Franchised Business, you must promptly notify us, and provide to us all necessary related information. By signing the Franchise Agreement, you and each owner permanently and irrevocably assign your respective rights in and to the concept, product, sales technique, or any improvement and permit us to use or disclose the information to our affiliates and other Sylvan Learning franchisees as we determine appropriate, without providing you any compensation.

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

Your Center must at all times meet franchisee management, educational staffing, and certification requirements. Our Manual provides the details of our Center franchisee management, educational staffing, and certification requirements. These requirements are subject to change from time to time.

Franchisee Management Requirement

Sylvan does not permit absentee ownership by the franchisee~~, which is when at~~. At least one Owner ~~does not~~must participate in the oversight, decision-making, and strategic direction of the Franchised Business ~~or fails to~~and be regularly present and engaged in its operations. The Franchised Business must be supervised at all times by a person who assumes the responsibilities of general management, and

full-time responsibility for daily supervision and operation, of your Franchised Business (the "Designated Manager"). The Designated Manager may be an Owner or a general manager. We highly recommend, but do not require, that your Designated Manager own an equity interest in the Franchisee if the Franchisee is a business entity. If the Designated Manager is not an Owner, then at least one Owner must be actively involved in the business' daily operations and such Owner cannot delegate ownership responsibilities to the Designated Manager or other employee. This Owner is ultimately responsible for compliance and business performance (including but not limited to compliance with the Franchise Agreement and standards, resourcing the business needs, accountability systems for employees, timely reporting and resolution of issues to avoid escalations to Sylvan), while day-to-day operations can remain with the Designated Manager. The Designated Manager (or an Owner if the Designated Manager does not have ownership interest in the Franchisee) must devote substantial full-time and best efforts, in person on a daily basis, to the supervision, operation, and conduct of the Franchised Business. The Designated Manager and all Owners must sign and deliver to us a Confidentiality and Non-Competition Agreement in the form attached as Attachment E to the Franchise Agreement.

One Owner must have at least 1% greater ownership interest in Franchisee than any other Owner and have the unilateral right to make decisions concerning transfer, winding up, and other decisions impacting the operation and dissolution of the Franchisee and its assets ("Executive Owner"). The Executive Owner is not required to be the Designated Manager but may also serve as the Designated Manager.

Your Designated Manager, one Owner, and your general manager (if applicable) must attend and complete to our satisfaction our initial training program and all other training that we require.

If your Designated Manager ceases to serve in, or no longer qualifies for, the position, you must designate another qualified person to serve as your Designated Manager within 30 days. Your proposed replacement Designated Manager must successfully complete the initial training program and sign and deliver to us a Confidentiality and Non-Competition Agreement before assuming Designated Manager responsibilities. Alternatively or in addition, Sylvan may, at its discretion, also require additional staff members to complete Franchisee or Director Certification training.

Neither you nor your Designated Manager may own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any direct or indirect interest in (as owner or otherwise) or relationship or association with, any business that competes with Sylvan Learning businesses or any of the products or services they offer. You also may not disclose any information contained in our Manual or other information proprietary to the System. Each Owner (regardless of the limitation of their ownership percentage in the Franchised Business) and Designated Manager must sign a Confidentiality and Non-Competition Agreement substantially in the form of Attachment E to the Franchise Agreement.

Each Owner of the franchise or the franchisee entity must sign an Undertaking and Guaranty substantially in the form of Attachment D to the Franchise Agreement to personally guarantee to us that you will perform all obligations under the Franchise Agreement in a timely manner according to the respective terms of the Franchise Agreement. "Owner" means any Person holding more than ten percent of the Stock in you and its officers, directors, and shareholders of a corporation, all managers and members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. If any Owner is a Person, then the term "Owner" also includes the Owners of that Business Entity. "Person" means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a corporation, a limited liability company, a government, or any department or agency thereof, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated association or organization, or any other entity.

The franchisee is required to be a business entity formally organized in the state of your choosing. If the Franchise Agreement was signed under the franchisee's individual capacity, then such individuals are

required to execute the then-current form of the assignment and assumption agreement assigning the Franchise Agreement to your business entity within 30 days of the effective date of the Franchise Agreement. Our current template form of the assignment and assumption agreement is included in this disclosure document under Exhibit H.

Educational Staffing and Certification Requirements

Each of your Centers must have at least one primary Center Director on an ongoing basis once you begin to offer services. The Center Director is not required to have an ownership interest in the Center. A Center with more than 100 students enrolled in mandatory programs also must have a second Director (either a Director of Education, or a second Center Director) or a lead teacher or program manager.

The primary Center Director must work full-time in the Center. The other Director(s), lead teachers, and program managers may be full-time or part-time.

The Designated Manager may be a Center Director, but the Designated Manager is not required to be a Director. The Designated Manager is required to complete the Franchisee Certification curriculum regardless of whether he or she plans to act as a Center Director.

An individual may not serve as Center Director for more than one brick-and-mortar Center location. Directors of Education may be the Director of Education in multiple Centers and Satellites.

All Center Directors must be Director-certified within six months of starting to work at your Center. In addition, each teacher that delivers SylvanSync must have an effective SylvanSync Certification. Sylvan will provide Director Certification to Directors who meet the following criteria:

Director of Education
State or provincial teaching certification
Demonstrates mastery of the educational skills necessary to administer diagnostic tests and individualized learning progressions
Satisfactorily completed Sylvan's required training on Sylvan and SylvanSync with a material mastery score of 80% or better
A four-year post-secondary degree is recommended

Center Director
Demonstrates appropriate business management skills
Satisfactorily completed Sylvan's required training with a material mastery score of 80% or better

Center Certification Requirements

Your Center must have all of the following Certifications in effect from the time you begin to operate:

1) **Sylvan Franchisee Certification**. Sylvan will confer this certification on a Center if the franchisee (or, if the franchisee is a corporation, at least one of its shareholders) has successfully completed Sylvan's Franchisee Certification curriculum.
2) **Sylvan Director Certification**. Sylvan will confer this certification on a Center if franchisee (or, if franchisee is a corporation, at least one of its shareholders) has successfully completed Sylvan's Director Certification curriculum. If you are serving as the Center Director, then the Franchisee Certification will meet this requirement.

3) **Assessment Proctor Certification**. Sylvan will confer this certification on a Center if all Directors and staff who deliver assessments have successfully completed Sylvan's required Assessment Training and passed the associated online assessments.

The details of each of the learning paths and certification assessments are described in our Manual. These requirements are subject to change from time to time at Sylvan's discretion.

During any period where your Franchised Business is operating without someone meeting our management or educational services certification requirements, we may enter and manage or offer educational services at your Franchised Business on an interim basis and in return for a reasonable management fee.

You must execute nondisclosure agreements with all employees and managers at your Center who have or could have access to our proprietary material to maintain the confidentiality of the proprietary information described in Item 14. We will be a third-party beneficiary of these nondisclosure agreements and must approve them in writing. You cannot modify or terminate these agreements without our prior written consent.

You, and if you are a corporation, your directors, officers, and shareholders, must not, during the term of the Franchise Agreement, engage as an owner, operator, or manager in any educational business except your Center. For your noncompetition requirements after termination or expiration of your Franchise Agreement, see Item 17.

The minimum staffing requirements and the hours of operation described in the Franchise Agreement and Manuals have been established exclusively for the purpose of preserving Sylvan's brand standards. You will have sole authority and discretion regarding all employment matters pertaining to your personnel, including, without limitation, hiring, firing, discipline, promotion, compensation, benefits, and scheduling. Those decisions and actions are yours to make, as the independent owner and operator of your Franchised Business, and such decisions and actions will not be, nor be deemed to be, a decision or action of ours, even if we provide any advice or recommendations on any issue.

DEVELOPMENT AGREEMENT

You must appoint a person to serve as the "Designated Principal" who is an Owner of the Developer. The Designated Principal will be responsible for general oversight and management of the development of the Franchised Businesses under the Development Schedule. Once each Franchised Business is open, the Developer or Designated Principal may appoint another to serve as Designated Manager for that Franchised Business. Each Owner and Designated Principal of the Developer must sign an Undertaking and Guaranty substantially in the form of Attachment D to the Development Agreement to personally guarantee to us that you will perform all obligations under the Development Agreement in a timely manner according to the respective terms of the Development Agreement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The courses of instruction and services that you may offer in your Franchised Business are limited to (1) the educational programs we license to you pursuant to the Franchise Agreement; and (2) any other programs that we specifically approve in writing. You are not required to offer all of the educational programs we license, but you are required to offer those indicated as mandatory in this document, in the Confidential Manual, or otherwise in writing. We have the right to change the types of programs (or other goods and services) that you are authorized to sell at the Center during the term of the Franchise Agreement, You may offer and sell only the products, goods, and services specifically authorized by us in writing, including without limitation ancillary services that we may authorize from time to time. You may not offer or sell any products, goods, or services not specifically authorized by us in writing. We may, at any time and in our sole and absolute discretion, add, eliminate, or modify authorized products, goods, and services; there are no contractual limitations on our rights to make such changes.

We administer a multi-tier membership program for Sylvan Learning Franchised Businesses ("Membership Program"). You must participate in the Membership Program. In connection with the offer and sale of memberships for the Membership Program at your Franchised Business, you must comply with the Standards for the Membership Program, including Membership Program tiers, pricing and other terms and conditions we may establish periodically. We or our Designated Supplier will administer the Membership Program, and we reserve the right to modify the structure of such Membership Program and benefits of membership at any time upon notice to you. In connection with the sale of each membership, the customer must enter into a membership agreement in the form required by us and pay the applicable Membership Program dues.

We and our affiliates have the right, through the point-of-sale or other technology system components, or otherwise, to independent and unrestricted access to lists of the Franchised Business's members and prospects, including names, addresses and other related information ("Member Information"). We and our affiliates may use Member Information in our and their business activities, but, during the term of the Franchise Agreement, we and our affiliates will not use the Member Information that we or they learn from you or from accessing the point-of-sale or other technology system components to compete directly with the Franchised Business. Upon termination of the Franchise Agreement, we and our affiliates reserve the right to make any and all disclosures to the members of your Franchised Business and use the Member Information in any manner that we or they deem necessary or appropriate.

We reserve, to the fullest extent permitted by then-governing law, the right to establish policies and programs regarding pricing of products and services, including, but not limited to, establishing the maximum and minimum retail prices and Membership Program prices, recommending retail and Membership Program prices, advertising specific retail prices for some or all products or services sold through your Franchised Business, and developing and advertising price promotions or package promotions. We may compel you to observe, honor, and participate in any such policies or programs we establish.

The Franchise Agreement gives you the right to operate a single Sylvan Learning Franchised Business and to offer approved products, goods, and services only at the Approved Location. You may not host or permit third parties to host programs (including after school programs, student "camps" or similar services) at the Approved Location unless we have authorized such services to be offered in advance in writing.

You must participate in and offer to your customers all customer loyalty and reward programs and all contests, sweepstakes, and other prize promotions that we designate. We will provide you the details of each program and promotion, and you must promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Business premises as we may designate. You must purchase and distribute all coupons, clothing, toys, and other collateral merchandise (and only the coupons, clothing, toys, and collateral merchandise) we designate for use in connection with each such program or promotion.

You may only use marketing and promotional materials that we have approved.

You must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area. We may develop policies and procedures that apply to all types of advertising and marketing efforts, including social media advertising, and you must comply with those policies and procedures. You may not conduct marketing activities outside of your Protected Area, unless we provide our written consent that specifically identifies the additional areas and time frame in which you may market outside of your Protected Area. Except as described in this Item, you are not limited in the type of customers to whom you may sell approved products or services.

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 franchise agreements attached to this disclosure document.

FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.A.	10 years from the effective date of the Franchise Agreement.
b. Renewal or extension	Section 2.B.	If you are in good standing, you may elect to continue operating the franchise for two additional, consecutive five-year successor terms. You must pay us a Renewal Fee equal to $6,000 plus reimbursement of our legal and professional expenses.
c. Requirements for franchisee to renew or extend	Section 2.B.	Provide notice; you may not be in default of the Franchise Agreement or any other agreement, including your lease; you must renovate and modernize the Franchised Business premises to conform to our then-current image; you and employees must be in compliance with our then-current training requirements; you must have the right to possess the Franchised Business premises or have secured a substitute location; you and all Owners must execute our then-current form of general release (see Exhibit G), subject to governing law; you must satisfy our standards of financial responsibility; and you may not have a continued pattern of non-compliance as evidenced by repeated failed quality assurance evaluations, regardless of whether you have taken corrective action. If we grant you the right to a successor term, you must sign our then-current form of Franchise Agreement, which may be materially different than the current form and may reflect different royalty fees and advertising obligations.
d. Termination by franchisee	No provision	Not applicable.
e. Termination by franchisor without cause	No provision	Not applicable.
f. Termination by franchisor with cause	Article 18	We can terminate only if you are in default.
g. "Cause" defined – curable defaults	Section 18.C.	We may terminate the Franchise Agreement if: (1) You fail to timely identify a site for the Franchised Business or timely sign the lease, and you fail to cure within seven (7) days after delivery of written notice

Provision	Section in Franchise Agreement	Summary
		of default; (2) You passed on an acceptable site and fail to sign a lease for your Primary Center by the lease deadline and you fail to cure within seven (7) days after delivery of written notice of default; (3) You do not obtain or maintain all insurance coverage required, and you fail to cure within five (5) days after delivery of written notice of default; (4) The Designated Manager or Owners of the Franchised Business do not successfully complete initial training, in our sole judgment, and you fail to cure within ten (10) days after delivery of written notice of default; (5) You fail to timely commence construction of your Franchised Business and fail to cure within 30 days after delivery of written notice of default; (6) You fail to timely commence operation of your Franchised Business by the opening deadline and fail to cure within 15 days after delivery of written notice of default; (7)You or your affiliate fails to pay any monies owed to Franchisor or its affiliates, or your trade creditors when due and fail to cure within ten (10) days after delivery of written notice of default; (8) You misuse the Proprietary Marks or the intellectual property and fail to correct the misuse within five (5) days after delivery of written notice of default; (9) You infringe on the rights of third-parties and fail to cure immediately after Franchisor's written or verbal notice, depending on the severity of such infringement; (10) The Franchised Business is cited for violation of health, sanitation, or safety laws or regulations, and fails to cure the violation within five (5) days after the date the citation is issued; (11) You purchase or use items for which Franchisor has identified approved suppliers from an unapproved source and fail to cure within the cure period specified in writing by Franchisor; (12) You purchase, use, or sell items not approved by the Franchisor and fail to cure within the cure period specified in writing by Franchisor; (13) You refuse to permit Franchisor to inspect the Franchised Business premises, or the books, records, or accounts of Franchisee and failed to cure upon Franchisor's demand; (14) You fail to operate the Franchised Business during such days and hours specified in the Manuals and fail to cure upon Franchisor's demand; (15) You are not in compliance with federal, state, or local laws, including but not limited to employment, environmental, occupancy, or other laws that affect

Provision	Section in Franchise Agreement	Summary
		the day-to-day operations of your Franchised Business and fail to cure upon Franchisor's demand; (16) You fail to produce within ten (10) calendar days books, records, federal, state, and local tax returns, sales tax returns, and such other forms, reports, information, and data that Franchisor requests for an audit and do not cure such default within five (5) calendar days; (17) You offer any unapproved programs without first completing the program-specific training, obtaining the required supplies, or otherwise complying with Franchisor's requirements for offering such programs and do not cure such default upon Franchisor's demand. This includes, but is not limited to, Sylvan Edge and ACE IT! programs; (18) You fail to appropriately appoint an Owner or Designated Manager or such individuals and do not operate the Franchised Business pursuant to their best efforts or on a full-time basis, and you fail to cure such default upon Franchisor's demand; ~~or~~ (19) You fail to purchase and install the required replacement equipment, as required by Franchisor, in its sole discretion, within the time period we prescribe; (20) You fail to rectify any violation of the brand standards or requirements in the operations manual within the required period, not to exceed 10 calendar days, including but is not limited to, failure to meet our standards for cleanliness and safety of the premises of the Franchised Business, failure to repair equipment required to operate the Franchised Business, failure to ensure safety of customers of the Franchised business, failure to timely submit self-audits of the premises of the Franchised Business, and other failures that impact operation of the Franchised Business, in Franchisor's sole discretion; (21) You engage in direct marketing activities or any other advertising in another Sylvan Learning franchisee's protected area, whether indirectly or directly, and fail to cease such disallowed marketing immediately upon notice from Franchisor; or (22) You fail to comply with any provision of this Agreement and fail to take appropriate corrective action within 30 days after delivery of Franchisor's written notice of a default.
h. "Cause" defined – non-curable defaults	Sections 18.A. and 18.B.	The Franchise Agreement will terminate automatically without notice and without an opportunity to cure upon the happening of certain bankruptcy or insolvency-related events, or upon

Provision	Section in Franchise Agreement	Summary
		foreclosure or lien against the assets of the Franchised Business, subject to governing law. We may terminate the Franchise Agreement without providing you an opportunity for the following: (1) Your abandonment of the Franchised Business (for purposes of this provision "abandonment" will be deemed to occur if you fail to operate the Franchised Business on three or more consecutive days or if you otherwise convey an intention to close the Franchised Business), or lose the right to possess the premises for the Primary Center; (2) Your lease for the Primary Center expires or terminates for any reason or you otherwise lose the right to occupy the premises of the Primary Center; (3) The making of any false or materially misleading representations in your franchise application or during the franchise application process; (4) You or any of your Owners or affiliates is or has been held liable for or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any conduct which Franchisor believes will materially and adversely affect the reputation of the Brand, SYLVAN LEARNING franchise system, any other Sylvan Learning business, or the goodwill associated with the Proprietary Marks; (5) Violation of any governing law or revocation or suspension of any necessary license or certification, in whole or in part; (6) Violation of any confidentiality or non-compete obligations, by you or any Owner; (7) The Franchised Business fails two (2) consecutive quality assurance inspections during any rolling 12-month period or fails three (3) quality assurance inspections during any rolling 24-month period; (8) You knowingly maintain false books or records or submit any false reports or statements to Franchisor; (9) Termination for cause of any agreement between Franchisor and you or your affiliate, including but not limited to any Franchise Agreement or Development Agreement; (10) Delivery of three (3) or more notices of default during any rolling 24-month period, whether or not the event(s) of default described in such notices ultimately are cured; (11) Transfer or attempted transfer in violation of the Franchise Agreement; (12) If an imminent threat or danger to public health or safety

Provision	Section in Franchise Agreement	Summary
		results from the operation of the Franchised Business; (13) Failure to follow Franchisor's instructions or protocol upon a Crisis Management Event; (14) Utilizing unapproved non-cash payment systems in the Franchised Business; (15) Accepting or processing non-U.S. currency for products and services offered by the Franchised Business, including but not limited to cryptocurrency; or (16) If franchisee breaches any material provision of the Franchise Agreement which breach is not susceptible to cure.
i. Franchisee's obligations on termination/non-renewal	Article 19	Under the Franchise Agreement, obligations include payment of all amounts owed to us (including without limitation a lump sum payment of liquidated damages, described in Item 6), ceasing to hold yourself out as a franchisee or former franchisee; ceasing operating the Franchised Business; cancelling any assumed or fictious names containing the Proprietary Marks; surrendering the Manual and all other confidential information in your possession to us; transferring the Franchised Business' telephone number to us; at our option, assigning us your interest in the lease for the Franchised Business premises; sell to us any of the Franchised Business' assets we elect to purchase; notify members of the closure of your Franchised Business using our then-current form of notice and offering those members the option to terminate their membership and receive a pro rata refund; and comply with post term obligations (also see r., below).
j. Assignment of contract by franchisor	Section 17.A.	No restriction on our right to assign our interest in the Franchise Agreement or to transfer any of our assets.
k. "Transfer" by franchisee – defined	Section 17.B.	Includes transfer of Franchise Agreement, transfer of the assets of the Franchised Business, and ownership changes.
l. Franchisor approval of transfer by franchisee	Section 17.B.	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 17.B.	We may condition approval on satisfaction of the following: all monetary obligations must be satisfied; you must be in full compliance with the Franchise Agreement and all other agreements; you and each owner must sign a then-current general release; the transferee must meet our Standards for new

Provision	Section in Franchise Agreement	Summary
		franchisees; the transferee must sign our then-current form of Franchise Agreement for the remainder of the franchise term left on your agreement; the transferee must agree to refurbish the Franchised Business premises; you must agree to remain liable for all pre-transfer obligations; the transferee must comply with our then-current training requirements; you must use our Designated Supplier to conduct inspections of the Franchised Business premises before the transfer; the economic terms of the transfer may not, in our opinion, materially and adversely affect the post transfer viability of the Franchised Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 17.G.	We may match any bona fide offer to purchase your business.
o. Franchisor's option to purchase franchisee's business	Section 19.B.	We may assume your lease and purchase the assets of your business upon expiration or termination of the Franchise Agreement.
p. Death or disability of franchisee	Section 17.H.	~~Transfer of~~We will consent to the transfer of the affected Owner's equity interest in the Franchisee to his or her spouse or ~~third party~~heirs, whether such transfer is made by will or by operation of law, if, in our sole discretion and judgment, the transferee meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the Franchised Business, including attending applicable training; has at least the same managerial and financial criteria required by new franchisees; and has sufficient equity capital to operate the Franchised Business. If we do not approve such transfer, then the executor, administrator, or personal representative of such person shall transfer the affected Owner's equity interest to a third-party approved by Franchisor within six months ~~of~~after such death ~~or~~, mental incapacity, or disability. A transfer under these circumstances is still subject to our ~~approval and~~ right of first refusal and to the same conditions as any *inter vivos* 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.

Provision	Section in Franchise Agreement	Summary
		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.
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).
w. Choice of law	Section 23.A.	Texas law applies (subject to governing state law).

DEVELOPMENT AGREEMENT

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 2.A.	Unless sooner terminated, the term will commence on the effective date of the Development Agreement and will expire on the earlier of (i) the date you execute the final Franchise Agreement in accordance with the Development Schedule; or (ii) the expiration date set forth on the summary page of the Development

Provision	Section in Development Agreement	Summary
		Agreement.
b. Renewal or extension	No provision	Not applicable
c. Requirement for Developer to renew or extend	No provision	Not applicable
d. Termination by Developer	No provision	Not applicable.
e. Termination by franchisor without cause	No provision	Not applicable.
f. Termination by franchisor with cause	Article 9	Franchisor can only terminate if Developer is in default.
g. "Cause" defined – curable defaults	Sections 9.3. and 9.4.	Developer shall have 10 days to cure the following upon Franchisor's written notice: (a) failure to obtain or maintain required insurance coverage at the Franchised Business; (b) failure to pay any amounts due to Franchisor; (c) failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); (d) failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations; (e) misappropriate, misuse, or otherwise utilize the Marks and Confidential Information in a way not authorized by Franchisor; and (f) if an approved transfer is not effected within the designated time frame following a death or permanent incapacity (mental or physical). Developer shall have 30 days to cure any other curable defaults upon delivery of Franchisor's written notice.
h. "Cause" defined – non-curable defaults	Sections 9.1. and 9.2.	The Development Agreement will terminate automatically without notice and without an opportunity to cure upon the happening of certain bankruptcy or insolvency-related events, or upon foreclosure or lien against the assets of the Developer. We may terminate the Franchise Agreement without providing you an opportunity to cure if (a) you fail to meet the Development Schedule; (b) you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; (c) there is any transfer or attempted transfer in violation of the Development Agreement; (d) you or any Owner fails to comply with the confidentiality or non-compete covenants; (e) you or

Provision	Section in Development Agreement	Summary
		any Owner has made any material misrepresentations in connection with your developer application; or (f) Franchisor delivers to you three (3) or more written notices of default within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.
i. Developer's obligations on termination/ non-renewal	Section 9.7.	Developer shall have no right to establish or operate any Sylvan Learning business for which a Franchise Agreement has not been executed by Franchisor at the time of termination or expiration. Our remedies for Developer's breach will include Developer's loss of its right to develop additional Sylvan Learning businesses and our retention of all development fees paid or owed by Developer. Upon termination or expiration, we will be entitled to establish, and to franchise others to establish Sylvan Learning locations in the Development Area, except as may be otherwise provided under any franchise agreement which has been executed between Franchisor and Developer or Developer's affiliates. In addition, if the Development Agreement is terminated due to a breach by you, you will be required to pay us liquidated damages for breach of that agreement.
j. Assignment of contract by franchisor	Section 8.1.	No restriction on our right to assign our interest in the Development Agreement or to transfer any of our assets.
k. "Transfer" by Developer – defined	Sections 8.2., 8.3., and 8.4.	Includes transfer of the Development Agreement, ownership changes, and transfer to an entity.
l. Franchisor approval of transfer by Developer	Sections 8.3. and 8.4.	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Sections 8.3. and 8.4.	We may condition approval on satisfaction of the following: all monetary obligations must be satisfied; you have obtained our prior written consent and deliver the proposed transfer agreements to us; you must be in full compliance with the Development Agreement and all other agreements; you and each Owner must sign a general release (see Exhibit G); the transferee must meet our Standards for new developers; the transferee must sign our then-current form of Development Agreement for the remainder of the term left on your Development Agreement; the transferee must comply with our then-current training requirements; you must satisfy all of your accrued monetary obligations to us; you must pay us the corresponding Transfer Fee; you and the transferee must execute the consent to transfer

Provision	Section in Development Agreement	Summary
		agreement in the form we require; transferee and its Owners must sign our form of the Undertaking and Guaranty; and, if applicable, pay any fees related to any resale program that Franchisor maintains.
n. Franchisor's right of first refusal to acquire Developer's business	No provision	Not applicable.
o. Franchisor's option to purchase Developer's business	No provision	Not applicable.
p. Death or disability of Developer	Section 8.9.	Upon the death or permanent incapacity (mental or physical) of the Developer or any Owner, the executor, administrator, or personal representative shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or mental incapacity. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet Franchisor's requirements, the executor, administrator, or personal representative of the decedent may transfer the decedent's interest to another party approved by Franchisor within six (6) months. If the interest is not disposed of within such period, Franchisor may, at its option, terminate the Development Agreement.
q. Non-competition covenants during the term of the franchise	Section 6.2.	Neither you nor any owner may be involved in any Competitive Business. 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	Section 6.3.	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) within the Development Area (other than the Franchised Businesses already open pursuant to the Development Schedule), or (2) within a 25-mile radius

Provision	Section in Development Agreement	Summary
expires		of any other Sylvan Learning business.
s. Modification of the agreement	Section 13.1.	The Franchise Agreement may be modified only by a written document signed by both parties.
t. Integration/ merger clause	Section 13.1.	The Development Agreement and its Attachments constitute the full and final agreement (subject to state law). Any other promises or statements may not be enforceable. No claim made in the Development Agreement is intended to disclaim the express representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Sections 11.2. and 11.3.	Except for certain claims, we and you must first mediate, and if unsuccessful, arbitrate all disputes within a five (5) mile radius of Franchisor's principal headquarters at the time arbitration is initiated (subject to governing state law).
v. Choice of forum	Section 11.4.	Litigation must be instituted and maintained in the state or federal courts serving the district in which we maintain our principal headquarters at the time litigation is initiated (currently Tarrant County, Texas) (subject to governing state law).
w. Choice of law	Section 11.1.	Texas law applies (subject to governing state law).

Our right to terminate your Franchise Agreement in the event of your bankruptcy may be restricted by federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the franchise related to the claim is sold.

ITEM 18: PUBLIC FIGURES

Sylvan does not use any public figures 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 performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The Tables below sets forth certain historic performance information for United States franchised territories that operated continuously throughout the 12 calendar months of ~~2024~~2025 pursuant to a Sylvan Learning Franchise Agreement. As of December 31, ~~2024~~2025, Sylvan had ~~478 franchised territories~~433 open and operating Sylvan Learning Centers ("Centers") in the United States. A total of ~~457 Centers provided revenue reports to us and 22 Centers provided incomplete data. Of these, 438 franchised territories~~409 Centers operated continuously during the 12 calendar months of ~~2024~~2025 and provided revenue reports to us that are reflected in Table 1. Of the remaining Centers, 12 Centers were

excluded because they did not operate the entire fiscal year 2025, and 12 Centers provided incomplete data. This Item 19 also does not include Gross Sales from any territories that closed or opened during 20242025, and therefore were not open for the full 12 months of 20242025. The figures included in this Item 19 have not been audited. The financial performance of company-owned territories is not included.

Table 1: 20242025 Franchisee Gross Sales[1] by Quartile

	Top Quartile Gross Sales	# of Units		2nd Quartile Gross Sales	# of Units
High	$2,991,6443,497,188	110102	**High**	$460,321431,020	110102
Low	$473,647431,734		**Low**	$291,797290,328	
Avg.	$810,698795,074		**Avg.**	$366,443355,018	
Median	$619,018588,669		**Median**	$375,138352,595	
No Above Avg.	27		**No Above Avg.**	5751	
% Above Avg.	2526%		**% Above Avg.**	5250%	
	3rd Quartile Gross Sales	**# of Units**		**4th Quartile Gross Sales**	**# of Units**
High	$289,587289,821	109103	**High**	$189,428185,278	109102
Low	$190,681185,724		**Low**	$18,05411,035	
Avg.	$240,305234,085		**Avg.**	$123,299120,331	
Median	$246,742231,231		**Median**	$124,566130,176	
No Above Avg.	6449		**No Above Avg.**	5758	
% Above Avg.	5948%		**% Above Avg.**	5257%	

Table 2: 20242025 – Top 10 and Bottom 20 Franchisee Gross Sales[1]Sales (All Franchisees)[1]

Top 25% of Territories by Gross Sales	Mid-Upper 25% of Territories by Gross Sales	Mid-Lower 25% of Territories by Gross Sales	Bottom 25% of Territories by Gross Sales
Gross Sales of the Top 10 Territories in Each Quartile			
$2,991,644.183,497,187.87	$460,321.21431,019.59	$289,587.32289,820.71	$189,427.83185,278.23
$2,607,682.543,366,897.36	$453,488.84430,553.38	$288,468.52287,186.60	$188,727.41183,533.00
$2,307,409.092,437,826.39	$447,797.41430,227.88	$288,358.30281,497.10	$188,000.56181,795.54

Top 25% of Territories by Gross Sales	Mid-Upper 25% of Territories by Gross Sales	Mid-Lower 25% of Territories by Gross Sales	Bottom 25% of Territories by Gross Sales
$~~2,270,109.38~~2,173,007.68	$~~447,616.33~~429,496.59	$~~287,321.23~~280,235.84	$~~187,865.89~~180,172.65
$~~2,064,191.73~~2,030,570.06	$~~439,718.12~~426,214.95	$~~287,236.58~~276,937.46	$~~187,639.03~~179,456.53
$~~2,025,481.00~~1,972,396.44	$~~439,530.04~~424,918.53	$~~284,471.87~~276,155.19	$~~187,043.17~~179,178.60
$~~2,018,335.67~~1,725,088.40	$~~437,889.59~~421,552.75	$~~284,254.32~~275,200.03	$~~186,848.20~~177,881.40
$~~1,948,406.42~~1,597,267.56	$~~436,469.00~~420,113.33	$~~279,808.85~~274,869.27	$~~186,847.00~~173,794.03
$~~1,585,773.80~~1,591,719.86	$~~434,599.65~~416,505.41	$~~279,545.64~~273,739.31	$~~186,451.25~~172,601.90
$~~1,561,945.91~~1,374,147.54	$~~431,702.02~~416,190.28	$~~278,611.18~~273,667.34	$~~183,748.22~~172,100.12
Gross Sales of the Bottom 10 Territories in Each Quartile			
$~~495,988.99~~444,961.93	$~~300,695.65~~301,716.48	$~~196,457.18~~196,745.06	$~~59,151.76~~47,477.57
$~~493,779.49~~444,465.75	$~~300,183.93~~301,116.97	$~~196,215.99~~196,438.63	$~~57,167.24~~47,247.00
$~~493,098.23~~444,240.27	$~~299,421.06~~300,784.08	$~~195,638.94~~195,775.29	$~~54,054.87~~43,565.00
$~~493,023.13~~441,478.09	$~~298,214.48~~298,693.26	$~~195,507.20~~195,279.77	$~~47,090.86~~41,878.12
$~~490,371.60~~440,026.70	$~~297,127.78~~298,595.13	$~~194,838.48~~195,071.28	$~~44,438.00~~40,773.21
$~~489,845.24~~439,228.92	$~~294,794.84~~297,141.96	$~~194,477.52~~193,581.07	$~~32,232.87~~39,827.00
$~~485,489.62~~438,455.19	$~~294,408.08~~294,998.03	$~~191,884.99~~193,457.31	$~~29,083.83~~30,237.00
$~~482,033.06~~437,367.56	$~~294,065.34~~294,015.03	$~~191,859.32~~189,154.30	$~~28,842.45~~29,541.48
$~~478,561.05~~432,572.68	$~~292,332.44~~291,744.10	$~~190,802.74~~186,795.41	$~~22,320.66~~15,950.53
$~~473,647.09~~431,733.60	$~~291,797.43~~290,327.85	$~~190,680.83~~185,724.49	$~~18,054.00~~11,035.00

Table 3: 2025 Subset of Franchisee Gross Sales[1] by Quartile with Offered Territory Size[4]

-	Top Quartile Gross Sales	# of Units	-	2nd Quartile Gross Sales	# of Units
High	$1,972,396	46	High	$362,528	47
Low	$363,078		Low	$243,685	
Avg.	$532,008		Avg.	$295,866	
Median	$487,817		Median	$281,497	
No Above Avg.	11		No Above Avg.	21	
% Above Avg.	24%		% Above Avg.	45%	
	3rd Quartile Gross Sales	# of Units		4th Quartile Gross Sales	# of Units

High	$240,606	46	**High**	$152,950	47
Low	$152,993		**Low**	$15,951	
Avg.	$202,666		**Avg.**	$101,195	
Median	$203,286		**Median**	$104,282	
No Above Avg.	24		**No Above Avg.**	27	
% Above Avg.	52%		**% Above Avg.**	57%	

Notes to Tables:

Note 1. "Gross Sales" as defined here and in Item 6 means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the Internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales, including but not limited to the redemption of approved gift cards/certificates, stored value cards, and loyalty program benefits (the initial sales or reloading of gift cards shall not be included in the calculation of Gross Sales) pursuant to the Customer Card Programs. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates and stored value cards (the redemption value minus administrative fees will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; (9) tips and gratuities; (10) Gross Sales earned through an Affiliated Brand franchise operated at the Franchised Business premises, so long as such Gross Sales constitute gross sales (or equivalent) subject to a royalty fee and other fees under such Affiliated Brand's franchise agreement; and (11) rent or other consideration paid by an Affiliated Brand franchise for occupying the Franchised Business' premises. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

Note 2. Not all franchisees delivered the ACE IT! Program, which is optional although it is included in the Sylvan franchise opportunity. However, the revenue from ACE IT! Programs offered are included in Gross Sales figures represented in Tables 1 and 2.

Note 3. The data in Tables 1, 2, and 3 reflect Center-specific data, not gross revenue obtained in a Protected Area. Some franchisees ~~operated~~operate a Primary Center, and one or more Additional Centers ~~or~~in their Protected Area in one Franchise Agreement. Each retail Cener is represented separately in the above Tables. However, some franchisees may also operate Satellites in the ~~territory as part of their Franchised Business~~Protected Area included in their Franchise Agreement during this period~~.~~, the Gross Sales of which is reported along with the data of a franchisee's Primary Center. Operation of Additional Centers and Satellites are optional.

Note 4. Some franchisees who reported data have Protected Areas larger than the Protected Area size offered in this disclosure document due to a variety of factors, including natural population growth and operating under legacy franchise agreements that previously granted larger territories. Table 3 represents data from a subset of Centers with Protected Areas that have i) an average household income above $65,000, and ii) encompass a population of approximately 15,000 to 20,000 students aged 4 to 18, based on the most recent U.S. Census or other publicly available data that we designate, which is the opportunity offered under this disclosure document.

Our management prepared this financial performance representation based on Gross Sales submitted to us by franchisees in accordance with regular reporting requirements pursuant to the applicable Sylvan Learning Franchise Agreements. We cannot verify the accuracy or completeness of the data supplied by the franchisees.

This financial performance representation was prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form. You should consult with your tax and accounting advisors regarding the effect, if any, of existing and proposed tax legislation and accounting pronouncements related to this information.

Written substantiation for this financial performance representation will be made available to you upon reasonable request. Please carefully read all of the information in these financial performance representations, and the notes following the charts, in conjunction with your review of the historical data.

Some Centers have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representation in this Item 19, Sylvan does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an operating business in an existing territory, however, the selling franchisee and/or we may provide you with the actual records of that territory. If you are buying an operating business in an existing territory from a selling franchisee and the selling franchisee makes financial performance representations, such financial performance representations are those of the selling franchisee and not of Sylvan. 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 ~~Josh Barker, Senior Vice President, Franchise Recruitment~~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 Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years ~~2022~~2023 to ~~2024~~2025

Outlet Type	Year	Outlets Operating at the Start of the Year	Outlets Operating at the End of the Year	Net Change
~~Franchise~~	~~2022~~	~~475~~	~~469~~	~~-6~~
Franchise	2023	469	473	+4
	2024	473	~~478~~476	~~+5~~+3
~~Corporate~~	~~2022~~2025	~~6~~476	~~5~~433	~~-1~~-43
Corporate	2023	5	5	0
	2024	5	0	-5
~~Total~~	~~2022~~2025	~~481~~0	~~474~~0	~~-7~~0
Total	2023	474	478	+4
	2024	478	~~478~~476	~~0~~-2
	2025	476	433	-43

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years ~~2022~~2023 to ~~2024~~2025

State	Year	Number of Transfers
~~Alabama~~	~~2022~~	~~0~~
Alabama	2023	4
	2024	0
~~Arizona~~	~~2022~~2025	0
Arizona	2023	1
	2024	0
~~California~~	~~2022~~2025	~~3~~0
California	2023	5
	2024	2
~~Colorado~~	~~2022~~2025	2
Colorado	2023	1
	2024	1

State	Year	Number of Transfers
	2025	0
Connecticut	2023	0
	2024	~~1~~0
~~Florida~~	~~2022~~2025	1
Florida	2023	6
	2024	4
~~Illinois~~	~~2022~~2025	0
Georgia	2023	~~2~~0
	2024	0
	2025	1
Illinois	2023	2
~~Kansas~~	~~2022~~2024	0
	2025	3
Iowa	2023	0
	2024	0
	2025	1
Kansas	2023	0
	2024	2
~~Louisiana~~	~~2022~~2025	0
Louisiana	2023	0
	2024	1
~~Massachusetts~~	~~2022~~2025	0
Massachusetts	2023	2
	2024	0
~~Michigan~~	~~2022~~2025	0
Michigan	2023	4
	2024	5
~~Minnesota~~	~~2022~~2025	0
Minnesota	2023	0
	2024	8
	2025	2
Missouri	2023	0
~~Nebraska~~	~~2022~~2024	0
	2025	2

State	Year	Number of Transfers
Nebraska	2023	0
	2024	4
~~New Hampshire~~	~~2022~~2025	0
New Hampshire	2023	2
	2024	0
~~New Jersey~~	~~2022~~	~~1~~
	~~2023~~2025	0
	~~2024~~	~~0~~
~~New Mexico~~	~~2022~~	~~0~~
New Mexico	2023	2
	2024	0
~~New York~~	~~2022~~2025	0
New York	2023	2
	2024	1
~~North Carolina~~	~~2022~~2025	~~1~~0
North Carolina	2023	1
	2024	0
~~Ohio~~	~~2022~~2025	~~10~~0
Ohio	2023	1
	2024	2
~~Oklahoma~~	~~2022~~2025	~~0~~1
Oklahoma	2023	0
	2024	2
~~Oregon~~	~~2022~~2025	0
Oregon	2023	1
	2024	0
~~Pennsylvania~~	~~2022~~2025	~~2~~0
Pennsylvania	2023	0
	2024	0
~~South Carolina~~	~~2022~~2025	~~0~~1
South Carolina	2023	0
	2024	1

State	Year	Number of Transfers
~~Texas~~	~~2022~~2025	~~8~~1
Texas	2023	6
	2024	9
~~Utah~~	~~2022~~2025	~~5~~2
	~~2023~~	~~0~~
	~~2024~~	~~0~~
~~Virginia~~	~~2022~~	~~0~~
Virginia	2023	1
	2024	3
~~Washington~~	~~2022~~2025	~~2~~3
Washington	2023	1
	2024	2
~~Wisconsin~~	~~2022~~2025	~~0~~6
Wisconsin	2023	0
	2024	1
~~Total~~	~~2022~~2025	~~35~~0
Total	2023	42
	2024	48
	2025	26

Table No. 3
Status of Franchised Outlets
For Years ~~2022~~2023 to ~~2024~~2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
~~Alabama~~	~~2022~~	~~6~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~5~~
Alabama	2023	5	1	0	0	0	0	6
	2024	6	0	0	0	0	0	6
~~Alaska~~	~~2022~~2025	~~2~~6	0	0	0	0	~~0~~1	~~2~~5
Alaska	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
~~Arizona~~	~~2022~~2025	~~8~~2	0	0	0	0	0	~~8~~2
Arizona	2023	8	0	0	0	0	0	8

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2024	8	0	0	0	0	0	8
~~Arkansas~~	~~2022~~2025	~~3~~8	0	0	0	0	1	~~2~~7
Arkansas	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
~~California~~	~~2022~~2025	~~58~~2	~~2~~0	0	0	0	~~1~~0	~~59~~2
California	2023	59	0	0	0	0	1	58
	2024	58	4	0	0	0	0	62
~~Colorado~~	~~2022~~2025	~~3~~62	~~0~~3	~~0~~1	0	0	~~0~~3	~~3~~61
Colorado	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
~~Connecticut~~	~~2022~~2025	~~4~~3	0	0	0	0	~~1~~0	3
Connecticut	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
~~Delaware~~	~~2022~~2025	3	0	0	0	0	0	3
Delaware	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
~~Florida~~	~~2022~~2025	~~32~~4	~~3~~0	0	0	0	~~2~~1	~~33~~3
Florida	2023	33	2	0	0	0	0	35
	2024	35	1	0	0	0	2	34
~~Georgia~~	~~2022~~2025	~~7~~34	~~0~~4	0	0	0	~~0~~4	~~7~~34
Georgia	2023	7	1	0	0	0	1	7
	2024	7	0	0	0	0	0	7
~~Hawaii~~	~~2022~~2025	~~2~~7	0	0	0	0	~~0~~1	~~2~~6
Hawaii	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
~~Idaho~~	~~2022~~2025	~~1~~2	0	0	0	0	0	~~1~~2
Idaho	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
~~Illinois~~	~~2022~~2025	~~21~~2	0	0	0	0	~~2~~0	~~19~~2
Illinois	2023	19	0	0	0	0	2	17
	2024	17	0	0	0	0	2	15

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
~~Indiana~~	~~2022~~2025	~~16~~15	0	0	0	0	~~0~~4	~~16~~11
Indiana	2023	16	0	0	0	0	0	16
	2024	16	0	0	0	0	0	16
~~Iowa~~	~~2022~~2025	~~4~~16	~~0~~1	0	0	0	0	~~4~~17
Iowa	2023	4	1	0	0	0	0	5
	2024	5	1	0	0	0	0	6
~~Kansas~~	~~2022~~2025	6	0	0	0	0	0	6
Kansas	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	4	2
~~Kentucky~~	~~2022~~2025	~~3~~2	0	0	0	0	0	~~3~~2
Kentucky	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	1	2
~~Louisiana~~	~~2022~~2025	~~11~~2	0	0	0	0	2	~~9~~0
Louisiana	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
~~Maine~~	~~2022~~2025	~~0~~9	0	0	0	0	0	~~0~~9
Maine	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
~~Maryland~~	~~2022~~2025	1	0	0	0	0	0	1
Maryland	2023	1	0	0	0	0	0	1
	2024	1	5	0	0	0	0	6
~~Massachusetts~~	~~2022~~2025	~~5~~6	0	0	0	0	0	~~5~~6
Massachusetts	2023	5	0	0	0	0	1	4
	2024	4	0	0	0	0	0	4
~~Michigan~~	~~2022~~2025	~~20~~4	0	0	0	0	~~0~~2	~~20~~2
Michigan	2023	20	0	0	0	0	1	19
	2024	19	0	0	0	0	1	18
~~Minnesota~~	~~2022~~2025	~~11~~18	~~2~~0	0	0	0	~~0~~1	~~13~~17
Minnesota	2023	13	2	0	0	0	1	14
	2024	14	0	0	0	0	~~0~~1	~~14~~13
~~Mississippi~~	~~2022~~2025	~~1~~13	~~1~~0	~~0~~7	0	0	0	~~2~~6
Mississippi	2023	2	1	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2024	3	1	0	0	0	0	4
~~Missouri~~	~~2022~~2025	~~9~~4	0	0	0	0	~~1~~0	~~8~~4
Missouri	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
~~Montana~~	~~2022~~2025	~~3~~8	0	0	0	0	~~0~~2	~~3~~6
Montana	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
~~Nebraska~~	~~2022~~2025	3	~~1~~0	0	0	0	0	~~4~~3
Nebraska	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
~~Nevada~~	~~2022~~2025	~~2~~4	~~2~~0	0	0	0	0	4
Nevada	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	1	3
~~New Hampshire~~	~~2022~~2025	3	0	0	0	0	~~0~~2	~~3~~1
New Hampshire	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
~~New Jersey~~	~~2022~~2025	~~11~~3	0	0	0	0	~~1~~2	~~10~~1
New Jersey	2023	10	1	0	0	0	0	11
	2024	11	2	0	0	0	0	13
~~New Mexico~~	~~2022~~2025	~~3~~13	1	0	0	0	~~0~~3	~~4~~11
New Mexico	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
~~New York~~	~~2022~~2025	~~15~~4	~~1~~0	0	0	0	~~2~~0	~~14~~4
New York	2023	14	1	0	0	0	2	13
	2024	13	1	0	0	0	0	14
~~North Carolina~~	~~2022~~2025	~~25~~14	~~2~~0	0	0	0	~~0~~1	~~27~~13
North Carolina	2023	27	1	0	0	0	0	28
	2024	28	1	0	0	0	0	29
~~North Dakota~~	~~2022~~2025	~~2~~29	~~0~~2	0	0	0	~~0~~2	~~2~~29
North Dakota	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
~~Ohio~~	~~2022~~2025	~~17~~2	~~0~~1	0	0	0	0	~~17~~3
Ohio	2023	17	0	0	0	0	0	17
	2024	17	1	0	0	0	0	18
~~Oklahoma~~	~~2022~~2025	~~5~~18	0	0	0	0	~~1~~0	~~4~~18
Oklahoma	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
~~Oregon~~	~~2022~~2025	~~5~~4	0	~~0~~2	0	0	1	~~4~~1
Oregon	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
~~Pennsylvania~~	~~2022~~2025	~~11~~5	0	0	0	0	~~1~~0	~~10~~5
Pennsylvania	2023	10	0	0	0	0	1	9
	2024	9	2	0	0	0	1	10
~~Rhode Island~~	~~2022~~2025	~~2~~1	0	0	0	0	~~0~~2	~~2~~8
Rhode Island	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
~~South Carolina~~	~~2022~~2025	~~8~~2	0	0	0	0	0	~~8~~2
South Carolina	2023	8	3	0	0	0	0	11
	2024	11	0	0	0	0	1	10
~~South Dakota~~	~~2022~~2025	~~2~~1	0	0	0	0	~~0~~1	~~2~~9
South Dakota	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
~~Tennessee~~	~~2022~~2025	~~7~~2	0	0	0	0	0	~~7~~2
Tennessee	2023	7	0	0	0	0	1	6
	2024	6	0	0	0	0	0	6
~~Texas~~	~~2022~~2025	~~64~~6	~~3~~0	0	0	0	~~2~~1	~~65~~5
Texas	2023	65	2	0	0	0	1	66
	2024	66	3	~~4~~0	0	0	~~1~~5	64
~~Utah~~	~~2022~~2025	~~7~~64	0	0	0	0	~~1~~4	~~6~~60
Utah	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
~~Vermont~~	~~2022~~2025	~~1~~6	0	0	0	0	~~0~~3	~~1~~3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Vermont	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
~~Virginia~~	~~2022~~2025	~~13~~1	0	0	0	0	~~1~~0	~~12~~1
Virginia	2023	12	0	0	0	0	1	11
	2024	11	0	0	0	0	~~0~~1	~~11~~10
~~Washington~~	~~2022~~2025	~~24~~10	0	0	0	0	~~3~~1	~~21~~9
Washington	2023	21	0	0	0	0	0	21
	2024	21	0	0	0	0	1	20
~~Wisconsin~~	~~2022~~2025	~~4~~20	0	0	0	0	0	~~4~~20
Wisconsin	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
~~Wyoming~~	~~2022~~2025	~~1~~4	0	0	0	0	0	~~1~~4
Wyoming	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
~~Total~~	~~2022~~2025	~~475~~0	~~18~~0	0	0	0	~~24~~0	~~469~~0
Total	2023	469	18	0	0	0	14	473
	2024	473	24	~~4~~0	0	0	~~15~~21	~~478~~476
	2025	476	12	10	0	0	45	433

***** If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
Status of Company-Owned Outlets
For Years ~~2022~~2023 to ~~2024~~2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
~~Maryland~~	~~2022~~	~~5~~	~~0~~	~~0~~	~~0~~	~~0~~	~~5~~
Maryland	2023	5	0	0	0	0	5
	2024	5	0	0	0	5	0
~~New York~~	~~2022~~	~~1~~	~~0~~	~~0~~	~~1~~	~~0~~	~~0~~
	~~2023~~2025	0	0	0	0	0	0
Total	~~2024~~2023	~~0~~5	0	0	0	0	~~0~~5
~~Total~~	~~2022~~2024	~~6~~5	0	0	~~1~~0	~~0~~5	~~5~~0
	~~2023~~2025	~~5~~0	0	0	0	0	~~5~~0
	~~2024~~	~~5~~	~~0~~	~~0~~	~~0~~	~~5~~	~~0~~

Table No. 5
Projected Openings as of December 31, ~~2024~~2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	~~5~~7	~~5~~7	0
~~Florida~~Colorado	~~5~~1	~~4~~1	0
Florida	3	2	0
Georgia	2	2	0
Idaho	2	2	0
~~Indiana~~Iowa	~~1~~2	~~1~~2	0
~~Iowa~~Maryland	~~2~~1	1	0
~~Michigan~~Massachusetts	1	~~2~~1	0
New Jersey	~~3~~1	~~3~~1	0
~~North Carolina~~New York	~~3~~1	~~3~~1	0
~~Texas~~North Carolina	~~8~~2	~~6~~1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Pennsylvania	1	1	0
Tennessee	1	1	0
~~Virginia~~Texas	~~1~~7	~~1~~3	0
Virginia	2	2	0
West Virginia	1	1	0
Wisconsin	2	~~2~~1	0
Total	~~34~~37	~~31~~30	0

This Item 20 discloses individual units that have opened, closed, or transferred, as opposed to franchise agreements signed. Some franchisees operate more than one unit within their single Protected Area that is subject to a single franchise agreement. Exhibit D lists the name, address, telephone number and email address of all current Sylvan franchisees, including those who have signed Franchise Agreements but are not yet open, for each of their Centers as of December 31, ~~2024~~2025. Exhibit D also lists the name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a Franchised Business terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with Sylvan within 10 weeks of December 31, ~~2024~~2025. 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 experiences, financings, and other matters with Sylvan. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate fully with you.

There are no franchisee organizations sponsored or endorsed by us.

ITEM 21: FINANCIAL STATEMENTS

Attached as Exhibit C to this disclosure document are the consolidated audited financial statements for the years ending December 31, 2025, 2024, and 2023~~, and 2022~~ of UA Holdings, LLC, our parent company. A copy of the guaranty of UA Holdings, LLC is in Exhibit C. Our fiscal year end is December 31, ~~2024~~2025.

ITEM 22: CONTRACTS

Attached to this disclosure document are the following contracts:

Exhibit E	Franchise Agreement, Attachments, and State-Specific Amendments
Exhibit F	Development Agreement, Attachments, and State Specific Amendments
Exhibit G	Sample Form of General Release
Exhibit H	Sample Form Assignment and Assumption Agreement

ITEM 23: RECEIPTS

The last two pages of this disclosure document, Exhibit K, are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt page also contains the names, addresses and telephone numbers of our franchise sellers or brokers.

[THE DISCLOSURE DOCUMENT ENDS HERE.]

STATE SPECIFIC APPENDIX
TO FRANCHISE DISCLOSURE DOCUMENT

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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.

INFORMATION REQUIRED BY THE STATE OF CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Neither SYLVAN nor any person listed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

The Franchise Agreement (the term SYLVAN uses for its franchise agreement) provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law (see the California Rider to the Franchise Agreement).

The Franchise Agreement provides that the laws of Texas shall govern the Franchise Agreement. This provision may not be enforceable under California law.

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

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

In recognition of the requirements of the California Franchise Investment Law, the disclosure document for Sylvan for use in the State of California shall be amended as follows:

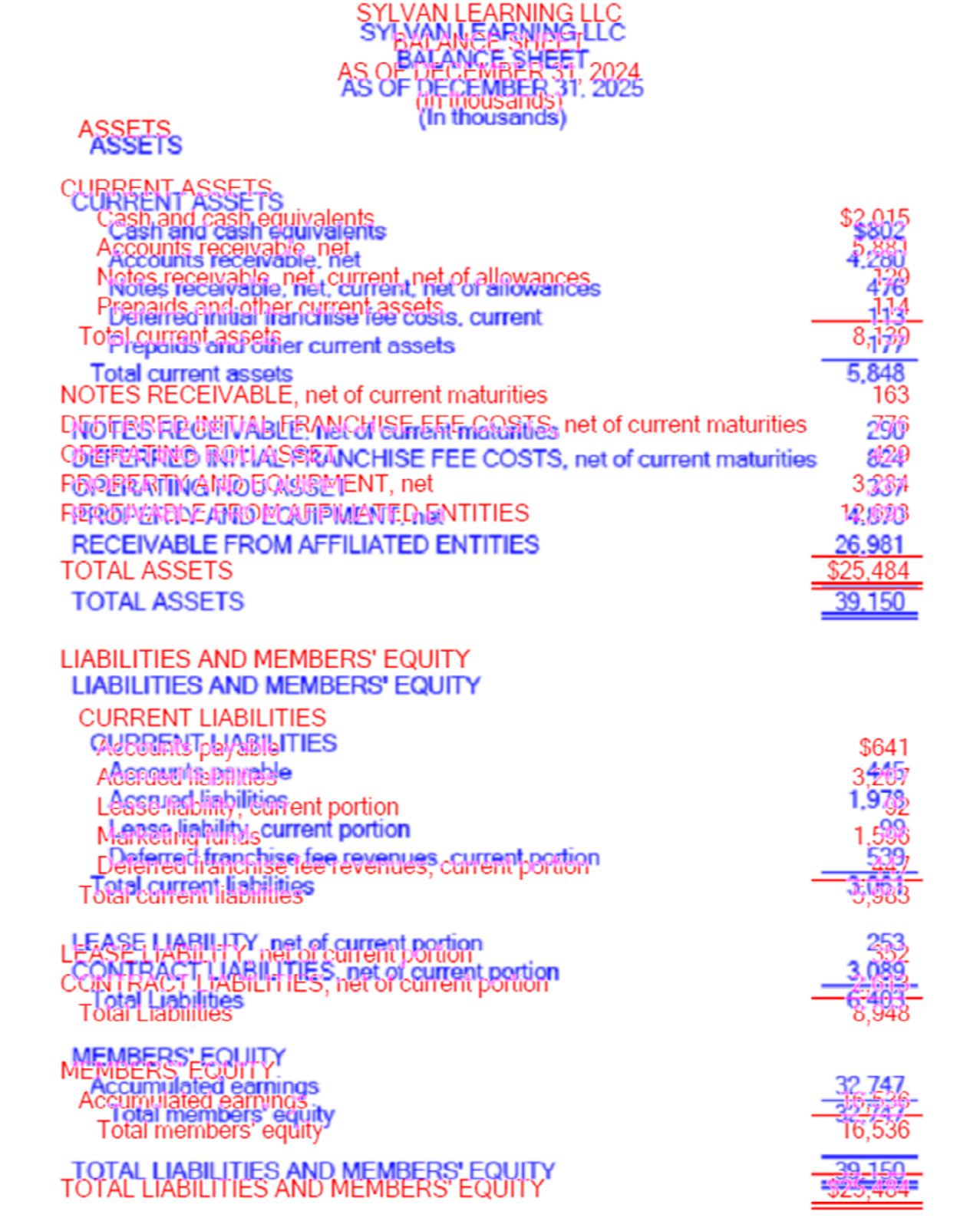
1. Item 6 and Item 10, Additional Disclosure:

   The highest interest rate allowed by law in California is 10% annually.

2. Exhibit I, Additional Disclosure. The following provision shall be added to the end of Exhibit I, Franchise Disclosure Questionnaire:

   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.

(Modified graphics)



SYLVAN LEARNING LLC
BALANCE SHEET
AS OF DECEMBER 31, 2025
(In thousands)

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$2,015
Accounts receivable, net	4,280
Notes receivable, net, current, net of allowances	476
Prepaids and other current assets	177
Total current assets	6,948
NOTES RECEIVABLE, net of current maturities	290
DEFERRED INITIAL FRANCHISE FEE COSTS, net of current maturities	824
OPERATING ROU ASSET	3,284
PROPERTY AND EQUIPMENT, net	4,078
RECEIVABLE FROM AFFILIATED ENTITIES	26,981
TOTAL ASSETS	$25,484
LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	$641
Accrued liabilities	3,207
Lease liability, current portion	92
Marketing funds	1,598
Deferred franchise fee revenues, current portion	445
Total current liabilities	5,983
LEASE LIABILITY, net of current portion	253
CONTRACT LIABILITIES, net of current portion	2,712
Total Liabilities	8,948
MEMBERS' EQUITY	
Accumulated earnings	32,747
Total members' equity	16,536
TOTAL LIABILITIES AND MEMBERS' EQUITY	$25,484

INFORMATION REQUIRED BY THE STATE OF ILLINOIS

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois.

1. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language at the beginning thereof:

"Notice Required By Law

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705-19-705/20."

2. The provisions of the Illinois Franchise Disclosure Act of 1987 ("the Act") shall supersede any provisions of the Franchise Agreement or Texas law which are in conflict with the Act.

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 are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987.

5. The provisions of section 27 of the Act supersede the provisions of Section 29 of the Franchise Agreement that set a limitation within one (1) year following the effective date of expiration or termination, to the extent that claims are brought under section 26 of the Act.

6. 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.

INFORMATION REQUIRED BY THE STATE OF MARYLAND

Special Risks to Consider About *This* Franchise, Additional Disclosures.

Over the past three years, Unleashed Brands, the parent of the franchisor, acquired multiple franchise systems. After those acquisitions, some of the acquired franchisors made changes to some of the franchise business operations. Multiple franchisees questioned those changes and commenced legal proceedings against the franchisor. The franchisor prevailed in all of the proceedings. You should perform your own research about Unleashed Brands and its relationships with its franchisees. Be sure to review the litigation disclosure (Item 3) in the FDD and do an Internet search of the franchisor and its parents. In addition, before buying this franchise, you should contact existing and terminated franchisees to discuss their experience with the franchisor. Contact information for the franchisees is provided in an exhibit to the FDD.

Item 11, Additional Disclosures

Maryland franchisees are entitled to obtain an accounting of advertising expenditures pursuant to COMAR 02.02.08.04B(2). The franchisor will provide such an accounting upon 30 days' notice of such a request.

Item 17, Additional Disclosures.

The Franchise Agreement and the Development Agreement require you to sign a general release as a condition of renewal or transfer of the franchise. This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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.

Item 22, Additional Disclosure.

Your responses to the Questionnaire do not act as a release, estoppel, or waiver of any liability of the Franchisor under the Maryland Franchise Registration and Disclosure Law. Nothing in the Franchise Disclosure Document or in the Franchise Agreement, or the Receipt of Franchise Related Documents is intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act.

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. 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.

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.

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.

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.

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.

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.

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."

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."

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.

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.

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.

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."

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.

INFORMATION REQUIRED BY THE STATE OF NEW YORK

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

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

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

With the exception of what is stated above, the following applies to the Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the Franchisor's principal trademark:

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or

department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for a franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

INFORMATION REQUIRED BY THE STATE OF ~~NORTH DAKOTA~~

~~Article 18 of the Franchise Agreement requires that:~~

~~(i) during the term of the Franchise Agreement, you not engage as an owner, operator or in any managerial capacity in any educational business other than as a franchisee of SYLVAN; and~~

~~(ii) following termination or expiration of your Franchise Agreement (including non-renewal or transfer of your Franchise Agreement to another person), for a period of two years you not engage as an owner, operator or any managerial capacity in any educational business offering individualized diagnostic tests or academic or prescriptive educational programs which are designed to be personally taught, supervised or administered by trained instructors within your former territory or at any location less than five miles from your former territory's boundary.~~

~~To the extent the preceding provisions conflict with provisions of North Dakota law concerning restrictive covenants, these restrictive covenants are not enforceable (see Section 1 of the North Dakota Rider to the Franchise Agreement).~~

~~Because liquidated damages provisions may be unenforceable in North Dakota and Article 18 of the Franchise Agreement includes a liquidated damages provision, Section 3 of the North Dakota Rider to the Franchise Agreement deletes the requirement of liquidated damages.~~

~~Section 3 of the North Dakota Rider to your Franchise Agreement provides that Section 20 of your Franchise Agreement is supplemented by two provisions. The first states that to the extent the requirement that any suit you bring against SYLVAN be brought in courts in Texas violates applicable North Dakota law (see N.D.C.C., 51-19-09), this requirement is void. The second provision states that each of you and SYLVAN appoints the Securities Commissioner, State of North Dakota, State Capitol, Bismarck, North Dakota 58505, to be each party's true and lawful agent to receive service of any lawful process and any civil litigation or proceeding arising under the Franchise Agreement.~~

~~Because the North Dakota Franchise Investment Law provides that provisions in a franchise agreement purporting to operate as waivers to compliance with such law are void, Section 4 of the North Dakota Rider to the Franchise Agreement provides for adding a new Section 26.14 to the Franchise Agreement that states the no-waiver requirements of the Franchise Investment Law.~~

~~INFORMATION REQUIRED BY THE STATE OF~~ RHODE ISLAND

Article 20 of the Franchise Agreement provides that (i) Texas law governs the agreement and (ii) if SYLVAN brings suit against you, we must do so in the courts of the state where your Territory is located, and that if you bring suit against SYLVAN, you must do so in Tarrant County, Texas, the site of SYLVAN's headquarters. The Rhode Island Franchise Act states that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." To conform to the requirements of Rhode Island law, the Rhode Island Rider to the Franchise Agreement provides that to the extent Rhode Island law applies and is in conflict with Article 20 of the Franchise Agreement, Rhode Island law prevails.

INFORMATION REQUIRED BY THE STATE OF SOUTH DAKOTA

Section 11 of the Franchise Agreement concerns termination of the Franchise Agreement and the notice required to terminate (which is discussed in Item 17). It provides for 10 days' notice for monetary defaults. To conform to the requirements of South Dakota law, Section 1 of the South Dakota Rider to the Franchise Agreement provides that SYLVAN must give you at least 30 days' notice and an opportunity to cure in the event of your non- or late payment of any amounts due to SYLVAN under the Franchise Agreement.

Section 12 of the Franchise Agreement imposes certain restrictions on your freedom to compete with SYLVAN during the term of your Franchise Agreement or after its termination or expiration. Section 2 of the South Dakota Rider the Franchise Agreement provides that to the extent that provisions of Section 12 of the Franchise Agreement conflict with South Dakota law, South Dakota law prevails. This language is added because:

> "Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law."

Section 13 of the Franchise Agreement entitles SYLVAN to liquidated damages in the event of your breach of certain provisions of the Agreement. Because South Dakota law may make liquidated damages provisions void and unenforceable, Section 6 of the South Dakota Rider to the Franchise Agreement substitutes a new Section 13 stating simply that SYLVAN shall be able to seek whatever damages are available under the law.

Section 20 of the Franchise Agreement (i) provides for Texas governing law and (ii) requires that if SYLVAN brings suit against you, to do so in the courts of the state in which your Territory is located, and if you bring suit against us, to do so in courts in the State of Texas, the state where our principal place of business is located. Section 4 of the South Dakota Rider to the Franchise Agreement amends Section 20 of the Franchise Agreement to add the following, as required by South Dakota law:

> "Notwithstanding the foregoing, (i) the law regarding license registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Texas; and (ii) any provision which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota."

INFORMATION REQUIRED BY THE STATE OF VIRGINIA

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

1. Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

2. "According to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

3. The following language is added to the end of the "Summary" section of Item 17(r) of the Franchise Disclosure Document, captioned "Non-competition covenants after the franchise is terminated or expires":

> Effective July 1, 2026, under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

4. The following language is added to the end of the "Summary" section of Item 17(w) of the Franchise Disclosure Document, captioned "Choice of Law":

> Effective July 1, 2026, under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

5. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

> 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.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related

agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise

broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

FRANCHISOR:	**FRANCHISEE:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

EXHIBIT A
TO THE FRANCHISE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

© 2024 Sylvan Learning, LLC

(Add)



Contents

Introduction 9

Introduction to Sylvan 12
Company Background 12
Types of Centers and Territories 12
Mandatory and Recommended Operational and Educational Days/Hours 12
The Sylvan Brand 20
The Power of a Brand 20
Marketing Standards 20
Funding 21
Exclusive Use of Sylvan-Approved Advertising 23
Customer-Facing Center-Created Forms 25
Territory Advertising Policy: Supporting Customer Choice 25
The Sylvan Learning Center Territory Advertising Policy 26, LLC

Franchise Operations Manual

Articles		Page No.
1.	Introduction	9
2.	Introduction to Sylvan	12
3.	The Sylvan Brand	22
4.	Email Marketing	37
5.	SMS/Text Messaging	39
6.	Marketing Systems	41
7.	Social Media	49
8.	Events and Local Marketing	52
9.	GUIDE Sales Process	61
10.	The Customer Experience	64
11.	Education Assessment	69
12.	Staffing	93
13.	Training and Certification	136
14.	Annual Conference	140
15.	Maintaining Quality Service	141
16.	Setting up your Financial and Legal	153

© 2024 Sylvan Learning, LLC

Structure…..……..……...
17. Business Start-Up Planning…...……..……...……...……... 157
18. Territory Development and New Center Growth…...……..…… 160
19. Center Layout and Design…...……..……...…… 172
20. Franchise Reporting and Accounting…...……..……..…… 183
21. Business Planning and Analysis…...……..……...…… 191
22. Profit and Loss Projections…...……..……...…… 199
23. Closing a Center…..……..……..…… 203

© 2024 Sylvan Learning, LLC

Policy Center and Co-op Website Guidelines 27
Online Marketing Policy 27
Territory Public Relations Policy 27
Territory Media Relations Policy 28
Privacy, Data Collection, and Customer Contact 28
National Media Relations 30
National Marketing Calendar 31
National Website 32

Appointment Requests 33
Receiving Web Form Data 33
Crisis Communication 33
Relationship Marketing 34
Events and Local Marketing 44
Why Grand Openings Are So Important 47
Key Steps to Hosting a Great Event 47
Promoting your Event 50
Marketing Channels 51
Summary: Local Marketing Importance 52
Voice of the Customer 55
Enroll: Breakthrough Selling 56
Enroll: Breakthrough Selling—the Sylvan Sales Approach 56
The Enroll Sales Approach 57
Enroll: Breakthrough Selling Sales Process 57
Overcoming Common Objections 59
The Customer Experience 61
Customer Focus 61
Customer Response 61
Maintaining Quality Assurance 61
Instilling Quality Service 61
Sylvan Service Pledge 63
Answering Machine and/or Voicemail Greetings 63
Sylvan Customer Service Principles 64
The Customer Lifecycle 64
Education and Assessment 67
Assessment Practices 67
Information Release 67
STAR Assessment Delivery Area 67
Proctoring the Insight Assessments 68
Altering Standard Procedures 68

© 2024 Sylvan Learning, LLC

Student Files/Folders 68
Instruction 69
Scheduling Teachers and Students 70
Scheduling Frequency for Students 70
Student-to-Teacher Ratio 71
Tracking Attendance, Absences, and Make-Ups 71
Preparing for Daily Instruction 72
Preparing for a Student's First Hour of Instruction 73
Managing Student Notebooks 73
During Instruction 74
Instructional Management: Director Responsibilities 74
Instructional Floor Management 75
Instructional Management: Teacher Responsibilities 75
Learning Logs 77
Transition Time 78
Interaction with Students and Teachers 78
Recording the Tokens Earned 78
The Sylvan Motivation Program 79
Buying at the Sylvan Store 79
Monitoring/Supervising Students 80
Managing Instructional Materials 80
After Instruction 81
Paper-Based Instruction: Updating Notebooks 81
Ongoing Conferences 82
Care Calls 87
Progress Assessment 87
Teacher Conference/Contact 89
Exit Conference 89
Application for Approval of New Materials or Programs 91
Staffing 93
Staff Management 93
Center Level Website Staff Bios 93
Sylvan Staffing Requirements 93
Dedicated Center Staff 95
Sylvan Staff Identification 95
Additional Requirements for SylvanSync Satellites 96
Individual Employee Meetings 96
Communication and Motivation 97
Sample Job Descriptions 100
Establishing Your Role as a Franchisee 108
Employer Recordkeeping 108
Employee Handbooks 109
Attracting Employment Candidates 110
Initial Screening of Employment Candidates 111
Interviewing Employment Candidates 112
Sample Acceptance Letters 123
Sample Rejection Letters 125
Performance Appraisals 126
Dealing with Employee Misconduct 128
Employee Termination 130
Employee Transfers from Center to Center 131
Center Level Website Employment Form 132

© 2024 Sylvan Learning, LLC

- Society of Human Resources Management 132
- Troubleshooting Staffing 133

Training and Certification 134
- Sylvan University 134
- Initial Training and Sylvan 101 135
- Director Training and Certification 136
- Enroll: Breakthrough Selling Certification 137
- GUIDE to Inquiry Excellence Certification 138
- Math Center Certification 139
- Teacher Training and Certification 139

Annual Conference 141

Maintaining Quality Service 142
- Addressing Customer Concerns 142
- Customer Complaints 143
- Complaints to the Better Business Bureau 143
- Measuring Customer Service 144
- Parent Surveys 145
- Inquiry Quality Check 146
- Tracking Key Business Indicators 146
- Quality Assurance Review (QAR) – Introduction 148
- Student Test Record Storage 152
- Franchise Business Consultants 153

Setting Up Your Financial and Legal Structure 155
- Introduction 155
- Structuring Your Business 155
- Insurance 156
- Occupational Safety and Health Administration Standards 157

Business Start-Up Planning 158
- Naming Your Business Entity; Assumed Business Name 158
- Securing a Business License and/or Permit 158
- Company Tax Obligations 159

Territory Development and New Center Growth 161
- Site Selection 161
- Site Requirements 161
- SylvanSync Satellite Site Criteria 163

Center Layout and Design 173
- Introduction 173
- Center Floor Plans 173
- Paint Colors and Schemes 174

Center Layout and Design Assistance 175
- Parent/Welcome Lobby 175
- Director's Office 176
- Director of Education's Office 177
- Administrator's Office 177
- Instructional Area 177
- Seminar and Testing Room 178
- Staff Work Room and Storage Area 179
- Vestibule (optional) 179
- Cleanliness 179
- Sylvan Policy on Animals in the Center 179
- Center Furniture 180
- Center Restroom Requirements 181

© 2024 Sylvan Learning, LLC

Wall Graphics and Other Furniture 181
Additional Furniture to Be Ordered 181
Signage 181
Sylvan Center Setup and Ordering Procedures 182
Office Furniture and Office Equipment 182
Franchise Reporting and Accounting 184
Corporate Email Standards 184
Credit Card Payment Setup 184
Statement Billing 184
Franchisee Monthly Report 185
Annual Financial Statement 185
Accounting Overview 185
Accounting Software 186
Financial Statement Glossary of Terms 186
Break-Even Analysis 187
Calculating the Break-Even Point 187
Business Planning and Analysis 191
Potential Business Transfer 191
Collection Procedures 191
Returned Checks 192
Refunds 193
Financial Planning 193
Developing a Financial Business Plan 193
Profit and Loss Projections 199
Twelve-Month Profit and Loss Projection 199
Three-Year Profit Projection (Optional) 199
Planning for Sylvan Seasonality 199
Planning for Technical Issues 200
Analysis 200
Document/File Retention 200
Sylvan Annual Plan 201
Key Personnel Profile 201
Staff Planning 201
SWOT Analysis 202
Planning Pro Forma Tool 202
Closing a Center 203
Center Closing Procedures 203
Forms/Files Currently Required (see SLCLink): 203
Disposal of Branded Materials 205

EXHIBIT B
TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR	STATE	STATE ADMINISTRATOR
CALIFORNIA	Dept. of Financial Protection and Innovation 320 W. 4th St., Ste. 750 Los Angeles, CA 90013 213.576.7505 866.275.2677	**NEW YORK**	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 212-416-8222
HAWAII	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant St. Honolulu, HI 96813 808.586.2722	**NORTH DAKOTA**	Insurance Commissioner North Dakota Insurance & Securities Department ~~600 East Blvd. Ave.~~ ~~State Capitol, Fifth Floor,~~ 600 East Boulevard Avenue, Dept. ~~414~~401 Bismarck, ND 58505-0510 (701) 328-2910 ~~701.328.4712~~
ILLINOIS	Franchise Bureau Office of the Attorney General 500 S. Second St. Springfield, IL 62706 217.782.4465	**RHODE ISLAND**	Securities Division Dept. of Business Regulation 1511 Pontiac Ave. John O. Pastore Complex – Building 69-1 Cranston, RI 02920 401.462.9585
INDIANA	Securities Commissioner Indiana Securities Division 302 W. Washington St., Room E-111 Indianapolis, IN 46204 317.232.6681	**SOUTH DAKOTA**	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 605.773.3563
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 410.576.6360	**VIRGINIA**	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main St, 9th Floor Richmond, VA 23219 804.371.9051
MICHIGAN	Michigan Dept. of Attorney General Consumer Protection Division Franchise Section 525 West Ottawa Street G. Mennen Williams Bldg, 1st Floor Lansing, MI 48909 517.373.1837	**WASHINGTON**	Securities Division, Department of Financial Institutions, PO Box 41200, Olympia, WA 98504-1200 360.902.8760
MINNESOTA	Minnesota Dept. of Commerce 85 7th Place East, Ste 280 St. Paul, MN 55101-2198 651.539.1600	**WISCONSIN**	Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington St, 4th Floor Madison, WI 53703 608.266.3364

LIST OF AGENTS FOR SERVICE OF PROCESS

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**MINNESOTA** Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 296-4026	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NEW YORK** New York State Department of State 99 Washington Avenue, 6th Floor Albany, New York 12231 (518) 473-2492	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**NORTH DAKOTA** North Dakota ~~Securities~~Insurance Commissioner North Dakota Insurance & Securities Department 600 East Boulevard ~~Avenue, State Capitol~~Ave. ~~Fifth Floor~~ Bismarck, ~~North Dakota~~ ND 58505-0510 ~~(701) 328-4712~~ 701.328.2910	**WISCONSIN** Commissioner of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 261-9555
INDIANA Indiana Secretary of State 200 West Washington Street, Room 201 Indianapolis, IN 46204 (317) 232-6681	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527	
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**SOUTH DAKOTA** Director of Division of Securities Division of Insurance – Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501-3185 (605) 773-3563	

MICHIGAN Dept. of Energy, Labor, & Economic Growth Corporations Division P.O. Box 30054 Lansing, Michigan 48909 7150 Harris Drive Lansing, Michigan 48909 (517) 373-7117	**TEXAS:** Registered Agents Inc. 5900 Balcones Drive, Suite 100 Austin, Texas 78731	

EXHIBIT C
TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

UA Holdings, LLC and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended December 31, 2025 and 2024, and Independent Auditor's Report

UA HOLDINGS, LLC AND SUBSIDIARIES

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1–2
CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Members' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–27

Deloitte & Touche LLP

Dallas Arts Tower
2200 Ross Avenue, Suite 1600
Dallas, TX 75201

www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of UA Holdings, LLC

Opinion

We have audited the consolidated financial statements of UA Holdings, LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Deloitte & Touche LLP

April 16, 2026

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2025 AND 2024
(In thousands, except unit and par value data)

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 5,827	$ 7,126
Restricted cash	1,996	6,018
Investments—at fair value	-	4,376
Accounts receivable—net	20,351	24,645
Inventory	832	598
Deferred attraction costs	5,397	20,258
Deferred initial franchise fee costs—current	1,074	946
Deferred income taxes	-	492
Prepaids and other current assets	3,833	5,173
Total current assets	39,310	69,632
DEFERRED INITIAL FRANCHISE FEE COSTS—Net of current maturities	11,745	12,329
OPERATING LEASE RIGHT-OF-USE ASSET—Net	20,881	25,256
PROPERTY AND EQUIPMENT—Net	21,484	11,690
GOODWILL—Net	316,282	331,381
INTANGIBLE ASSETS—Net	410,074	432,462
OTHER ASSETS	845	388
TOTAL ASSETS	$ 820,621	$ 883,138
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 4,829	$ 5,722
Accrued liabilities	10,998	14,673
Membership liabilities	1,942	2,768
Operating lease liability—current	4,181	4,699
Marketing funds	118	3,703
Deferred attractions revenues	10,050	14,900
Deferred franchise fee revenues—current	4,186	3,505
Unpaid insurance losses and loss adjustment expenses	13,083	6,080
Notes payable—current	4,253	4,093
Total current liabilities	53,640	60,143
OPERATING LEASE LIABILITY—Net of current portion	18,682	31,039
CONTRACT LIABILITIES—Net of current portion	53,825	51,751
NOTES PAYABLE—Net of current portion	402,474	389,199
Total liabilities	528,621	532,132
MEMBERS' EQUITY:		
Members' equity:		
Preferred units, $1,000 par value—312,968 and 312,968 authorized, issued, and outstanding	304,582	313,777
Common units, $1,000 par value—495,000 authorized; 247,117 and 234,742 issued, and outstanding, respecti	181,204	165,447
Accumulated deficit	(193,786)	(128,218)
Total members' equity	292,000	351,006
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 820,621	$ 883,138

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In thousands)

	2025	2024
REVENUES:		
Royalty revenues	$ 79,118	$ 85,301
Attraction revenues	27,258	22,012
Rebate revenues	14,590	13,731
Company-owned unit revenues	24,457	15,001
Franchise fee revenues	7,175	15,770
Marketing fund revenues	33,480	25,823
Other revenues	18,552	17,072
Total revenues	204,630	194,710
OPERATING EXPENSES:		
Attraction costs	21,106	18,362
Company-owned unit costs	19,564	14,595
Marketing fund costs	33,480	25,823
Salaries and wages	30,513	38,076
Incurred insurance losses and loss adjustment expenses	14,129	(7)
Selling, general, and administrative	31,396	44,973
Amortization of goodwill and intangibles	69,066	64,469
Depreciation and amortization expense	3,261	2,039
Total operating expenses	222,515	208,330
LOSS FROM OPERATIONS	(17,885)	(13,620)
OTHER (EXPENSES) INCOME:		
Interest expense	(46,842)	(52,894)
Loss on disposal of property and equipment	(300)	(152)
Impairment of intangible assets	-	(2,273)
Other income—net	403	824
Total other expenses	(46,739)	(54,495)
LOSS BEFORE FEDERAL AND STATE TAX EXPENSES	(64,624)	(68,115)
FEDERAL TAX EXPENSE	(697)	(290)
STATE TAX EXPENSE	(247)	(262)
NET LOSS	$ (65,568)	$ (68,667)

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In thousands, except unit data)

	Preferred Units		Common Units		Accumulated Earnings (Deficit)	Total Members' Equity
	Units	Amount	Units	Amount		
BALANCE—January 1, 2024	260,258	$ 256,078	234,742	$ 166,044	$ (59,551)	$ 362,571
Member contributions	52,710	58,325	-	-	-	58,325
Member tax distributions	-	(626)	-	(597)	-	(1,223)
Net loss	-	-	-	-	(68,667)	(68,667)
BALANCE—December 31, 2024	312,968	313,777	234,742	165,447	(128,218)	351,006
Member contributions	-	310	12,913	24,203	-	24,513
Member tax distributions	-	(9,505)	-	(7,908)	-	(17,413)
Member forfeitures	-	-	(538)	(538)	-	(538)
Net loss	-	-	-	-	(65,568)	(65,568)
BALANCE—December 31, 2025	312,968	$ 304,582	247,117	$ 181,204	$ (193,786)	$ 292,000

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In thousands)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (65,568)	$ (68,667)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Allowance for credit losses	3,871	1,440
Depreciation and amortization expense	3,261	2,039
Amortization of goodwill and intangibles	69,066	64,469
Amortization of debt issuance costs	3,049	2,474
Operating lease right-of-use asset amortization	4,250	4,391
Gain on transfer of operating lease right-of-use asset	(4,244)	(1,861)
Impairment of assets, (gain) loss on leases (Note 8)	(3,835)	7,576
Loss on disposal of property and equipment	32	55
Change in operating assets and liabilities—net:		
Accounts receivable	423	(5,860)
Inventory	(188)	(8)
Deferred attractions costs	14,861	(4,723)
Deferred initial franchise fee costs	456	7,932
Deferred income taxes	492	59
Prepaids and other current assets	1,567	2,095
Accounts payable	(893)	921
Accrued liabilities	(4,328)	(7,595)
Membership liabilities	(826)	1,147
Marketing funds	(3,585)	(620)
Deferred attractions revenues	(4,850)	(153)
Contract liabilities	2,755	(3,602)
Operating lease liability	(4,738)	(4,575)
Unpaid insurance losses and loss adjustments	7,003	(3,954)
Unearned insurance premium	-	(149)
Net cash provided by (used in) operating activities	18,031	(7,169)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisitions—net of cash acquired (Note 2)	(15,427)	(175,216)
Purchases of property and equipment	(7,832)	(5,374)
Proceeds from sale of property and equipment	40	-
Proceeds from sale of investments	4,376	2,501
Payments made and proceeds from notes receivable—net	(457)	(276)
Net cash used in investing activities	(19,300)	(178,365)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	16,000	133,000
Debt issuance costs	(1,360)	(3,378)
Payments made on notes payable	(4,254)	(4,094)
Member contributions	2,975	58,325
Member distributions	(17,413)	(1,223)
Net cash (used in) provided by financing activities	(4,052)	182,630
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,321)	(2,904)
CASH, CASH EQUIVALENTS and RESTRICTED CASH—Beginning of year	13,144	16,048
CASH, CASH EQUIVALENTS and RESTRICTED CASH—End of year	$ 7,823	$ 13,144
SUPPLEMENTAL DISCLOSURES—Cash paid for interest expense	$ 46,842	$ 52,894
NONCASH TRANSACTIONS:		
Issuance of common units	$ 21,000	$ -
Operating lease right-of-use asset obtained in exchange for operating lease liability	$ 10,594	$ 506
Acquired accrued liabilities	$ (653)	$ (6,793)

See notes to consolidated financial statements.

1. NATURE OF OPERATIONS

UA Holdings, LLC (the "Company") commenced operations on January 30, 2018, as a Delaware limited liability company. The consolidated financial statements as of December 31, 2025 and 2024, include the accounts of the Company and its subsidiaries.

At December 31, 2025, the Company had a portfolio of seven brands consisting of "Urban Air Adventure Parks," a family entertainment franchisor; "Sylvan Learning," a franchisor providing supplemental and enrichment education for K-12 students which was acquired on February 16, 2024; "Snapology," a franchisor of STEM/STEAM curriculum for children; "The Little Gym," a franchisor of enrichment and physical development centers for children; "Premier Martial Arts," a franchisor of martial arts studios focused on children; "Class 101," a franchisor of college guidance services; and "Water Wings," a franchisor providing swim instruction and aquatic education programs which was acquired on January 15, 2025; and "XP League," a franchisor of youth eSports leagues, which was sold on December 2, 2025. In addition to franchised owned locations, the Company owns and operates Company -owned locations of its brands and Adventis Insurance, Inc. ("Adventis") (Note 9) an insurance company previously providing general liability and workers compensation coverages to franchise owners of Urban Air Adventure Parks, continues operating in run-off for the years ended December 31, 2025 and 2024. The Company has a perpetual duration, unless dissolved earlier in accordance with the Company operating agreement. Company-owned locations totaled 18 and 12 at December 31, 2025, and 2024, respectively.

2. ACQUISITIONS

Water Wings

During the year ended December 31, 2025, the Company completed its acquisition of Water Wings. On January 15, 2025, UA Holdings, LLC (Buyer) entered into a membership interest purchase agreement to purchase 43.956% of the outstanding company membership interests of Water Wings with the remaining 56.044% of the Water Wings company membership interests contributed by seller to UA Holdings, LLC, in exchange for a portion of equity consideration in UA Holdings LLC. As a result of the purchased and contributed interest percentages, UA Holdings LLC owns 100% of Water Wings. Water Wings is a provider of swim instruction and aquatic education programs designed to teach water safety, skill development, and confidence building for infants, children, and adults. It operates a network of indoor, climate-controlled facilities offering year-round programming, including parent-and-child classes, learn-to-swim lessons, stroke development, and competitive preparation programs. Water Wings is recognized for its small class sizes, certified instructors, and structured curriculum focused on safety and personal growth. Upon applying Financial Accounting Standards Board Accounting Standards Codification (ASC) 805, *Business Combinations*, $28,179 of goodwill was recognized. This goodwill primarily arises from the acquired workforce and the opportunity to extend existing customer

relationships into new markets through franchising. As these components do not qualify as distinct intangible assets, they are included in goodwill. The goodwill is expected to be tax deductible.

The Water Wings transaction was accounted for as a business combination. As a result, the consolidated statements of operations reflect Water Wings' operating results from the acquisition date. Transaction costs related to the Water Wings acquisition totaled $832 and are included in selling, general, and administrative expenses in the consolidated statements of operations for the year ended December 31, 2025. The base purchase consideration for the Water Wings acquisition was $37,000, subject to certain customary post-closing adjustments, which resulted in a total purchase price of $36,986, consisting of $15,986 cash paid inclusive of transaction fees paid on behalf of the seller, issuance of $21,000 in common units of UA Holdings, LLC and the acquisition of assets and assumption of liabilities.

The total purchase consideration has been allocated to the following assets and liabilities as of the January 15, 2025 acquisition date as follows:

Cash and cash equivalents	$ 559
Inventory	46
Property and equipment—net	5,295
Operating lease right-of-use	10,594
Trade name	1,600
Customer relationships	1,800
Goodwill	28,179
Other assets	227
Accrued liabilities	(653)
Operating lease liabilities	(10,661)
Total purchase price	$ 36,986

In accordance with ASC 805, the total consideration transferred for the acquisition of Water Wings was allocated to the identifiable assets acquired and liabilities assumed based on their respective acquisition-date fair values. The resulting allocation reflects the fair value of the net assets acquired. This allocation resulted in the recognition of the following intangible assets at the acquisition date: $1,600 to the trade name and $1,800 to customer relationships. Management determined the estimated fair values of intangible assets as of the Water Wings acquisition date using the relief from royalty method for trademarks and multi-period excess earnings method for customer relationships. Projected cash flows or cash savings are discounted at a required rate of return that reflects the relative risk of achieving the cash flows and the time value of money.

Sylvan Learning

During the year ended December 31, 2024, the Company completed its acquisition of Sylvan Learning. On February 16, 2024, Unleashed Brands, LLC (Buyer) entered into a securities purchase agreement to purchase 100% of the operating assets and assume certain liabilities of Sylvan Learning. Sylvan Learning is the leading provider of personal learning for students in grades K-12. Sylvan Learning's mission to build academic confidence, ignite intellectual curiosity, and inspire a love for learning complemented the other brands in the Company's portfolio. Upon applying Financial Accounting Standards Board Accounting Standards Codification (ASC) 805, *Business Combinations*, $64,074 of goodwill was recognized. This goodwill primarily arises from the acquired workforce and the opportunity to extend existing customer relationships into new markets. As these components do not qualify as distinct intangible assets, they are included in goodwill. The goodwill is expected to be tax deductible.

The Sylvan Learning transaction was accounted for as a business combination. As a result, the consolidated statements of operations reflect Sylvan Learning's operating results from the acquisition date. Transaction costs related to the Sylvan Learning acquisition totaled $2,404 and are included in selling, general, and administrative expenses in the consolidated statements of operations for the year ended December 31, 2024. The base purchase consideration for the Sylvan Learning acquisition was $185,000, subject to certain customary post-closing adjustments, which resulted in $177,197 of cash paid and the acquisition of assets and assumption of liabilities.

The total purchase consideration has been allocated to the following assets and liabilities as of the February 16, 2024 acquisition date as follows:

Cash and cash equivalents	$ 1,981
Accounts receivable—net	5,391
Property and equipment—net	226
Franchise agreements	100,500
Trade name	12,300
Software	2,900
Goodwill	64,074
Other assets	2,089
Accounts payable	(784)
Accrued liabilities	(6,793)
Marketing funds	(927)
Other liabilities	(882)
Contract liabilities	(2,878)
Total purchase price	$ 177,197

In accordance with ASC 805, the total consideration transferred for the acquisition of Sylvan Learning was allocated to the identifiable assets acquired and liabilities assumed based on their respective acquisition-date fair values. The resulting allocation reflects the fair value of the net assets acquired. This allocation resulted in the recognition of the following intangible assets at the acquisition date: $100,500 to franchise agreements, $12,300 to the trade name, and $2,900 to internally developed software. Management determined the estimated fair values of intangible assets as of the Sylvan Learning acquisition date using the relief from royalty method for trademarks and income approach for franchise agreements. The relief from royalty method used to estimate the fair values of trademarks estimated projected future cost savings achieved by avoiding the use of third-party trademarks or licensing third-party software. Projected cash flows or cash savings are discounted at a required rate of return that reflects the relative risk of achieving the cash flows and the time value of money. Franchise agreements were valued using the income approach method used to estimate the fair values of franchise agreements. A derivation of discounted cash flow analysis, specifically the Multi period Excess Earnings Method was performed on the future projected cash flow of the existing franchise agreements. The fair value was then determined by adding the present value of the franchisee cash flows with the present value of the income tax benefit resulting from the amortization of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). All significant intercompany balances and transactions have been eliminated in consolidation.

Reclassification of Prior Year Presentation—Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Use of Estimates—The preparation of consolidated financial statements in conformity with 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to measurement of unpaid insurance losses and loss adjustment expenses and impairment testing of intangible assets and goodwill.

Cash and Cash Equivalents—The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2025 and 2024, the Company had $607 and $403 in such investments, respectively. The Company maintains deposits primarily in three financial institutions, which may at times exceed amounts covered by insurance provided by the US Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Investments in Debt and Equity Securities—Investments in equity securities, with readily determinable fair values, are measured at fair value at the time of purchase, with subsequent changes in fair value included in other income or expense in the consolidated statements of operations. During the year ended December 31, 2025, all of the Company's debt securities were sold. All of the Company's debt securities as of December 31, 2024, were classified as available for sale. Available-for-sale securities may be sold prior to maturity and are carried at fair value. The Company accounts for its investments in debt securities in accordance with ASC 320, *Investments—Debt Securities*. Management determines the appropriate classification of its investments at the time of purchase and reevaluates such determination at each balance sheet date.

The amortized cost of debt securities is adjusted using the effective interest rate method for amortization of premiums and accretion of discounts. Such amortization and accretion are included in other income in the consolidated statements of operations. Net unrealized gains and (losses) on available-for-sale debt securities were $34 and ($17) for the years ended December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, the Company held $0 and $4,005, respectively, in debt securities.

Other-than-Temporary Impairments on Investments—The Company determines other-than-temporary impairments on debt securities in accordance with certain provisions of ASC 320. This guidance requires the Company to evaluate whether it intends to sell an impaired debt security or whether it is more likely than not that it will be required to sell an impaired debt security before recovery of the amortized cost basis. If either of these criteria are met, an impairment equal to the difference between the debt security's amortized cost and its fair value is recognized in earnings. For impaired debt securities that do not meet these criteria, the Company determines if a credit loss exists with respect to the impaired security. If a credit loss exists, the credit loss component of the impairment, which is equal to the difference between the security's amortized cost and its projected net present value of future cash flows from the security, is recognized in other income. For the years ended December 31, 2025 and 2024, no impairment related to debt securities was recorded.

Accounts Receivable—Accounts receivable consist of franchise royalties and other costs billed to franchisees. Accounts receivable are stated at amounts management expects to collect from

outstanding balances. Credit is extended to customers based upon evaluation of the customer's financial condition, and collateral is not required. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2025 and 2024, the Company had an allowance for credit losses of $7,073 and $3,662, respectively.

Inventory—Inventory is stated at the lower of cost or net realizable value using the first-in, first-out method. The Company records a provision for obsolete and slow-moving inventory, when necessary, based on current inventory levels, as well as historical and expected future production levels. Based on the Company's assessment, there was a provision for obsolete inventory of $937 and $791 for the years ended December 31, 2025 and 2024, respectively, and no lower of cost or net realizable value adjustments at December 31, 2025 and 2024.

Deferred Initial Franchise Fee Costs—The Company has capitalized costs in relation to commission costs incurred for the sale of franchise agreements. Capitalized costs directly related to these activities are $12,819 and $13,275 as of December 31, 2025 and 2024, respectively, and are reported as deferred initial franchise fee costs in the accompanying consolidated balance sheets.

Leases—The Company recognizes the assets and liabilities that arise from leases in the consolidated balance sheets. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use assets and lease liabilities measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the noncancelable lease term. Lease expense for the Company's finance leases is composed of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. As of December 31, 2025 and 2024, the Company recorded operating lease right-of-use assets and lease liabilities at their fair value.

The Company has elected not to separate lease and non-lease components for all asset classes.

When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate, based on similar term US Treasury note or bond rates, for the initial and subsequent measurement of lease liabilities for all asset classes.

The Company elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Contract Assets and Liabilities—The Company has contract liabilities, which represent deferred revenues from certain preopening activities and area development fees. The Company has determined that preopening activities and area development fees do not represent distinct goods or services transferred to the franchisee. Accordingly, these costs are deferred over the related franchise agreement, which is typically 10 years.

The Company's contract assets relating to attraction costs include the costs to acquire and transport the attraction equipment, labor for its installation, and other indirect costs related to contract performance. All costs incurred are recorded in the consolidated balance sheets as deferred attraction costs and are incurred on uncompleted attractions until the associated revenues are realizable, which is typically at

the grand opening. As of December 31, 2025 and 2024, incurred costs related to unopened franchise locations totaled $5,397 and $20,258, respectively. A significant portion of the year ending December 31, 2024 balance was related to Company seeded parks that were completed in the year ending December 31, 2025.

Fair Value of Financial Instruments—The Company's financial instruments include cash, investments, accounts receivable, and accounts payable. As of December 31, 2025 and 2024, the carrying value of these financial instruments approximate their fair values because of the short-term maturities or variable borrowing rate nature of these instruments.

Property and Equipment—Property and equipment are stated at cost, less accumulated depreciation. Expenditures which substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair costs are expensed as incurred. Property and equipment are capitalized if they have individual costs of at least $5 and useful lives of greater than one year. Leasehold improvements are amortized over the lesser of the lease term or useful life if applicable. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts, and the gains or losses are reflected in the consolidated statements of operations.

Depreciation and amortization are calculated using the straight-line method over the established useful lives of the individual assets as follows:

	Useful Lives
Transportation assets	3–5 years
Leasehold improvements	7–15 years
Computer and software	3 years
Furniture, fixtures, and equipment	5 years
Vehicles	5 years

Impairment of Long-Lived Assets—In accordance with ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may no longer be recoverable. The Company assesses recoverability of the carrying amount by estimating the undiscounted future net cash flows expected to result from the asset over its expected useful life, including eventual disposition. If the future undiscounted net cash flows are less than the carrying amount of the asset, an impairment loss is recorded equal to the difference between the assets carrying amount and its fair value. No impairment of long-lived assets was recognized for the years ended December 31, 2025 and 2024.

Goodwill and Intangible Assets—The Company amortizes goodwill over 10 years. Intangible assets acquired in a business combination are recorded at fair value. Intangible assets with finite lives are amortized based on the pattern in which the economic benefits of the assets are estimated to be consumed, or using the straight-line method if that pattern cannot be reliably determined, over the useful lives as disclosed in Note 6.

The Company tests goodwill and other definite-lived intangible assets for impairment if an event occurs or changes in circumstance indicate that the fair value of the entity may be below its carrying value. A goodwill impairment loss, if any, is measured as the amount by which the carrying value of the entity including goodwill exceeds its fair value.

Indefinite-lived assets are not amortized but are evaluated for impairment on an annual basis or more frequently if indicators of impairment are present. Impairment charges related to indefinite-lived assets

are recognized when the fair value is less than the carrying value of the asset. Costs incurred to renew or extend the term of a recognizable asset are expensed as incurred. During the years ended December 31, 2025 and 2024, the Company recorded impairment of $0 and $2,273, respectively, as disclosed in Note 6.

Insurance Related Activities—The Company used Adventis, a wholly owned subsidiary of the Company and captive insurance company to issue policies for general liability coverage and workers' compensation coverage to franchise owners. The Company ceased issuing general liability policies effective May 2023 and workers' compensation coverages effective May 2024 and is currently operating in run-off. See Note 9.

Unpaid Insurance Losses and Loss Adjustment Expenses—Reserves for unpaid losses and loss adjustment expenses includes case basis estimates of reported losses, plus amounts for incurred but not reported (IBNR) losses calculated based upon loss projections utilizing industry data. In establishing this reserve, the Company utilizes the findings of an independent consulting actuary. Management believes that its aggregate reserve for unpaid losses and loss adjustment expenses at year-end represents its best estimate, based on the available data, of the amount necessary to cover the ultimate cost of losses. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

Insurance Premiums—Premiums are earned over the period that coverage is provided. Unearned premiums are calculated on a daily pro rata basis for the unexpired terms of individual policies in force.

Premium Deficiency—The Company recognizes premium deficiencies when there is a probable loss on an insurance contract. Premium deficiencies are recognized if the sum of expected losses and loss adjustment expenses, expected dividends to the policy holder, unamortized deferred acquisition costs, and maintenance costs exceed unearned premiums and anticipated investment income. There were no premium deficiencies for the years ended December 31, 2025 and 2024.

Revenue Recognition—The Company's revenues are substantially composed of service revenues. Revenue is recognized when the Company satisfies its performance obligation under each contract after it has provided the service to each customer. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or providing services. The nature of the Company's contracts do not give rise to any notable amounts of variable consideration with its customers. The Company's contracts do not give rise to any significant financing components (including contracts where the timing of the transfer of goods or services is at the discretion of the customer). The type or location of services performed do not significantly impact the nature, amount, timing, or uncertainty of revenues and cash flows.

The Company performs the following obligations within each franchise agreement contract—approval of real estate and facility layout for nonmobile units, training of the franchisee, and providing access to the respective brand's intellectual property, which are not distinct within the context of the contract. The Company has concluded that there is a single performance obligation related to each contract recognized at the time of the unit opening.

Substantially, all of the Company's revenues are from services provided to customers at a point in time, with the exception of franchise fee revenue and insurance premiums, which are deferred and recognized over the term of the related agreements.

The Company's costs which are not incremental to obtaining a contract are expensed as incurred.

Sales, value added, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

The primary sources of revenue for the Company are recognized as follows:

Royalty Revenues—Royalty revenue is recognized in the period earned and ranges from 7–11% of gross revenue based on the franchise brand. Royalty revenues are allocated to the outcome from the performance obligation of having access to the license, i.e., franchise location's monthly sales. The Company records the royalty revenue as the franchisee's monthly sales occur.

Attraction Revenues—Attraction revenue is recognized as revenue when earned, which is at the grand opening of the associated franchised park.

Rebate Revenues—Rebate revenue relates to rebates and commissions received from third-party companies that sell merchandise and services to franchisee locations. The third-party vendors provide their merchandise and services at a cost to the franchisees that is lower than they could otherwise purchase individual items in like quantities, quality, etc. The third parties, under license from the Company of its trademarks, procure licensed products from manufacturers and sell them to the Company's franchisees. The Company recognizes revenue as the underlying purchases are made by the franchisees, net of estimated returns, based on agreed-upon rebate or commission rates.

Company Owned Unit Revenues—Company owned unit revenue is recognized as revenue when earned, which is generally when services are performed, and is generated from the operations of its Company-owned locations.

Franchise Fee Revenues—Franchise fee revenue is recognized as revenue when earned. The Company receives an initial franchise fee as franchise agreements are signed. Franchise fee revenue is deferred until opening of the location, and then recognized over the term of the franchise agreement, which is typically 10 years (over time revenue). At December 31, 2025 and 2024, deferred franchise fee revenues totaled $58,011 and $55,256, respectively, and are classified as contract liabilities in the consolidated balance sheets (Note 7). Due to closures and terminations in the Premier Martial Arts brand, the Company accelerated recognition of $837 and $10,758 of revenue for the years ended December 31, 2025 and 2024, respectively, and $581 and $8,729 of related costs for the years ended December 31, 2025 and 2024, respectively, which are presented in franchise fee revenues and salaries and wages within the consolidated statements of operations, respectively.

Marketing Fund Revenues—The Company administers various marketing funds for its brands, for which franchisees and Company-owned parks both contribute. The contributions range from 1–5% of gross sales based on the franchise brand. These contributions are used for various forms of brand advertising in accordance with its various brand franchise agreements. The Company has a contractual obligation to use marketing fund contributions for advertising, public relations, merchandising, and similar activities. Marketing fund liabilities are included in the consolidated balance sheets as marketing funds and totaled $118 and $3,703 as of December 31, 2025 and 2024, respectively. Marketing fund revenues and expenditures are recorded on a gross basis within the consolidated statements of operations as contributions are billed, increasing both the gross amount of reported revenues and expenses and generally has no impact on income (loss) from operations and net income (loss).

Other Revenues—Other revenues include various ancillary revenue streams all recognized when earned, which is generally as services are performed.

The Company disaggregates revenue from contracts with customers by project type, as the Company believes it best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. All the Company's revenues are recognized at a point-in-time with the exception of initial franchise fees and insurance premiums, which are recognized over the term of the related agreements. The discontinuance of insurance premiums in the year ending December 31, 2024 contributed to the decrease in the over-time revenues. The following table presents the Company revenues disaggregated by timing:

	2025	2024
Over time revenue	$ 7,175	$ 15,703
Point in time revenue	197,455	179,007
	$ 204,630	$ 194,710

Advertising Costs—Advertising costs include discretionary local and national campaign marketing expenses associated with the Sylvan Brand, franchise recruitment marketing and other general corporate marketing expenditures and are included in selling, general, and administrative expenses in the consolidated statements of operations. Advertising costs are expensed as incurred and totaled $5,931 and $13,160 for the years ended December 31, 2025 and 2024, respectively. Franchisee contributions for the discretionary local marketing are included in other revenues within the consolidated statements of operations.

Debt Financing Costs—Costs related to obtaining financing are capitalized and presented as a deduction against the corresponding debt. Debt financing costs are amortized over the respective debt agreement using the effective interest method with amortization expense included in interest expense in the consolidated statements of operations. In January 2025, the Company recorded $1,360 in gross debt financing costs in relation to borrowings to complete the Water Wings acquisition. In February 2024, the Company recorded an $3,378 in gross debt financing costs in relation to borrowings to complete the Sylvan Learning acquisition. Amortization expense totaled $3,050 and $2,474 for the years ended December 31, 2025 and 2024, respectively. Unamortized debt financing costs were $6,175 and $7,865 as of December 31, 2025 and 2024, respectively.

Income Taxes—The Company is organized as a Delaware limited liability company and, therefore, federal tax obligations are passed through to its members. The Company is subject to various state taxes.

The Company accounts for uncertain tax positions in accordance with the asset and liability method. The Company has evaluated its tax positions and has not identified any material uncertain tax positions that would not be sustained in federal or state income tax examination or that require disclosure. Accordingly, no provision for uncertainties in income taxes has been made in the accompanying consolidated financial statements. The Company recognizes interest and penalties on income taxes as a component of income tax expense.

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value standard also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of observable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1—Quoted prices are available in active markets for identical instruments as of the reporting date. The type of instruments included in Level 1 include listed equities and listed derivatives.

Level 2—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Instruments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3—Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Instruments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, mezzanine funds, funds of hedge funds, distressed debt, and noninvestment grade residual interests in securitizations and collateralized debt obligations.

The Company classified its investments in exchange-traded funds as Level 1 in accordance with the criteria described above.

The Company sold all remaining financial instruments during 2025 resulting in $0 investments as of December 31, 2025. The following table presents the Level 1, Level 2, and Level 3 financial instruments measured, reported, and carried at fair value, as of December 31, 2024, in accordance with the valuation hierarchy:

	Level 1	Level 2	Level 3	Total
Debt securities:				
Corporate bonds	$ -	$ 7	$ -	$ 7
Other fixed income	-	2,301	-	2,301
Treasury securities	-	1,697	-	1,697
Subtotal	-	4,005	-	4,005
Equity:				
Common stocks	-	-	-	-
Preferred stocks	371	-	-	371
Subtotal	371	-	-	371
Total	$ 371	$ 4,005	$ -	$ 4,376

Investments in equity securities were measured using Level 1 fair values based upon observable quoted market prices from national security exchanges.

Investments in debt securities were measured using Level 2 fair values based upon inputs, such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, offers, bids, and reference data.

Investments in alternative investments funds held by the Company as of December 31, 2024, using significant unobservable inputs (Level 3) to measure fair value did not change during the year ended December 31, 2024. Accordingly, no change to net unrealized and realized gains or losses were recorded in the consolidated statements of operations.

The Company may withdraw funds monthly or quarterly, depending on the fund. There are no unfunded capital commitments as of December 31, 2024.

The Company's nonfinancial assets, which primarily consist of property and equipment, right-of-use assets, goodwill and other intangible assets, are not required to be carried at fair value on a recurring basis and are reported at carrying value.

As of December 31, 2025, the Company held no investments.

5. PROPERTY AND EQUIPMENT—NET

Property and equipment at December 31, 2025 and 2024, consisted of the following:

	2025	2024
Company-owned units	$ 5,094	$ 4,907
Leasehold improvements	10,529	5,191
Computer and software	5,979	5,635
Furniture and fixtures	3,290	1,163
Vehicles	70	70
Construction in progress	10,161	5,173
Subtotal	35,123	22,139
Less accumulated depreciation and amortization	(13,639)	(10,449)
Property and equipment—net	$ 21,484	$ 11,690

Depreciation and amortization expense for the years ended December 31, 2025 and 2024, was $3,261 and $2,039, respectively.

6. GOODWILL AND INTANGIBLE ASSETS—NET

Goodwill and intangible assets at December 31, 2025, consist of the following:

	Economic Life	Total Intangible Assets and Goodwill	Accumulated Amortization	Net Intangible Assets and Goodwill
Royalty agreements	13–20 years	$ 438,000	$ (66,206)	$ 371,794
Trade names	Indefinite	34,700	-	34,700
Customer relationships	5 years	4,400	(1,905)	2,495
Software	3 years	2,900	(1,815)	1,085
Goodwill	10 years	433,849	(117,567)	316,282
Total		$ 913,849	$ (187,493)	$ 726,356

Goodwill and intangible assets at December 31, 2024, consist of the following:

	Economic Life	Total Intangible Assets and Goodwill	Accumulated Amortization	Net Intangible Assets and Goodwill
Royalty agreements	13–20 years	$ 438,000	$ (42,252)	$ 395,748
Trade names	Indefinite	33,100	-	33,100
Customer relationships	5 years	2,600	(1,040)	1,560
Software	3 years	2,900	(846)	2,054
Goodwill	10 years	405,682	(74,301)	331,381
Total		$ 882,282	$ (118,439)	$ 763,843

Amortization expense for the years ended December 31, 2025 and 2024, were $69,066 and $64,469, respectively. During the year ended December 31, 2025, there was $0 impairment recorded. During the year ended December 31, 2024, the Company determined that the carrying values of certain intangible assets were in excess of their fair values. Accordingly, the Company recorded an impairment loss of $2,100 related to trade names and an impairment loss of $173 related to royalty agreements.

The amortization of royalty agreements, customer relationships, software, and goodwill for the years ending December 31 are as follows:

Royalty Agreements		Customer Relationships		Software		Goodwill	
2026	$ 23,953	2026	$ 880	2026	$ 967	2026	$ 43,385
2027	23,953	2027	880	2027	118	2027	43,385
2028	23,953	2028	360	2028	-	2028	43,385
2029	23,953	2029	360	2029	-	2029	43,385
2030	23,953	2030	15	2030	-	2030	43,385
Thereafter	252,029	Thereafter	-	Thereafter	-	Thereafter	99,357
Total	$ 371,794	Total	$ 2,495	Total	$ 1,085	Total	$ 316,282

7. CONTRACT LIABILITIES

Contract liabilities at December 31, 2025 and 2024, consisted of the following:

	2025	2024
Franchise fees—net	$ 58,011	$ 55,256
Attraction revenues	10,050	14,900
Subtotal	68,061	70,156
Less current portion	(14,236)	(18,405)
Contract liabilities—net of current portion	$ 53,825	$ 51,751

8. COMMITMENTS AND CONTINGENCIES

Operating Leases—Right-of-use assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Company's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Company's sole discretion. The Company regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Company includes such options in the lease term.

Right-of-use assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842. During the years ended December 31, 2025 and 2024, the Company terminated certain operating leases in conjunction with the targeted closure of Company-owned locations. This resulted in impairment of right-of use assets totaling $297 and $3,584 for the years ended December 31, 2025 and 2024, and are included in selling, general, and administrative expenses in the consolidated statements of operations.

The Company makes significant assumptions and judgments in assessing its right-of-use assets and lease liabilities:

- Evaluates whether a contract contains a lease, by considering factors, such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determines whether contracts contain embedded leases.
- Evaluates leases with similar commencement dates, lengths of term, renewal options, or other contract terms, which, therefore, meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases.
- Determines for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments.

The Company does not have material leasing transactions with related parties.

The Company's lease agreements contain lease incentives related to tenant improvement allowances. During the years ended December 31, 2025 and 2024, tenant improvement allowances reimbursed by the landlords totaled $2,432 and $1,564, respectively. Included in the Company's prepaids and other current assets in the consolidated balance sheets are tenant improvement allowance receivables of $0 and $2,432 as of December 31, 2025 and 2024, respectively.

The following table summarizes the lease right-of-use assets and lease liabilities as of December 31, 2025 and 2024:

	2025	2024
Right-of-use assets—operating leases	$ 20,881	$ 25,256
Lease liabilities:		
Current operating lease liabilities	4,181	4,699
Long-term operating lease liabilities	18,682	31,039
Total lease liabilities	$ 22,863	$ 35,738

Below is a summary of expenses incurred pertaining to leases for the years ended December 31, 2025 and 2024:

	2025	2024
Operating lease expense	$5,249	$6,135
Variable lease expense	135	-
Sublease income	(163)	(163)
Total lease expense	$5,221	$5,972
Weighted-average remaining lease term (in years)—operating leases	6.55	7.64
Weighted-average discount rate—operating leases	3.17 %	2.83 %

Total rent expense, including variable lease costs, such as common area maintenance and property taxes, totaled $6,797 and $7,418 for the years ended December 31, 2025 and 2024, respectively. These costs are included in Company-owned unit costs and selling, general, and administrative expenses in the consolidated statements of operations.

The table below summarizes the Company's scheduled future minimum lease payments for years ending after December 31, 2025:

Years Ending December 31	
2026	$ 4,835
2027	3,637
2028	3,479
2029	3,450
2030	3,337
Thereafter	6,819
Total lease payments	25,557
Less present value discount	(2,694)
Total lease liabilities	22,863
Less current portion	(4,181)
Long-term lease liabilities	$ 18,682

Commitments for Leases Not Yet Commenced— The Company has entered into a lease agreement that has not yet commenced as of December 31, 2025. The lease relates primarily to office space in Irving, Texas and is expected to commence in the fourth quarter of 2026. Upon commencement, the Company expects to recognize right-of-use assets and corresponding lease liabilities associated with the

arrangement. The lease has noncancelable terms of approximately 12.5 years and will require future lease payments that the Company expects to fund through operating cash flows.

Lease Guarantees—On occasion, the Company has acted as co-guarantor with certain of its franchisees in connection with leases necessary in establishing their businesses. As of December 31, 2025 and 2024, the Company had limited guarantees for leases on 14 and 10 franchised locations, respectively, totaling a maximum of $16,106 and $9,878, respectively, in potential lease payments.

Litigation—The Company may be a party to routine claims brought against it in the ordinary course of business. The Company estimates whether such liabilities are probable to occur and whether reasonable estimates can be made and accrues liabilities when both conditions are met. Although the ultimate outcome of these matters, if and when they arise, cannot be accurately predicted due to the inherent uncertainty of litigation, in the opinion of management, based upon current information, no currently pending or overtly threatened claim is expected to have a material adverse effect on the Company's business, financial condition, or results of operations. However, it is possible that an unfavorable resolution of one or more such future proceedings could materially and adversely affect the Company's consolidated financial position, results of operations, or cash flows.

9. INSURANCE ACTIVITIES

General liability limits provided are $250 per occurrence with no aggregate limit. Worker's compensation limits provided are $500 per occurrence with an aggregate limit of 150% of the gross written premium. There were no policies issued during 2025 and 2024, and all policies issued during 2023 expired on May 27, 2024, to concur with primary policy terms. Net premiums assumed for the years ended December 31, 2025 and 2024, were $0 and a loss of $67, respectively.

Incurred and Paid Claims Development by Accident Year—IBNR reserve estimates are generally calculated by first projecting the ultimate cost of all claims that have occurred and then subtracting reported losses and loss expenses. Loss projections based upon industry data to develop loss development factors that multiplicatively accumulated to arrive at age-to-ultimate loss development factors.

Reported losses include cumulative paid losses and loss expenses, plus case reserve estimates. The IBNR reserve includes a provision for the claims that have occurred but have not yet been reported, some of which are not yet known to the Company, as well as a provision for the future development on reported claims. The following paragraph details the IBNR liabilities and claims frequency, which is measured by claim event, for each accident year presented for the general liability coverage. Claim counts for the general liability coverage are presented based upon the number of claim occurrences reported.

For the year ended December 31, 2025, the Company incurred cumulative claims and claim adjustment expenses of $29,197 and had cumulative paid claims and allocated claim adjustment expenses of $16,128, resulting in liabilities for claims and claim adjustment expenses of $13,068. For the year ended December 31, 2024, the Company incurred cumulative claims and claim adjustment expenses of $14,881 and had cumulative paid claims and allocated claim adjustment expenses of $8,988, resulting in liabilities for claims and claim adjustment expenses of $5,893. For the year ended December 31, 2025, expected development on reported claims and IBNR totaled $1,677, with cumulative reported claims of 972. For the year ended December 31, 2024, expected development on reported claims and IBNR totaled $3,550, with cumulative reported claims of 949.

The unpaid insurance losses and loss adjustment expenses presented as liabilities in the consolidated balance sheets at December 31, 2025, include the liabilities for claims and claim adjustment expenses of $13,068, and unallocated loss and loss adjustment expenses of $6. The unpaid insurance losses and loss adjustment expenses presented as liabilities in the consolidated balance sheets at December 31, 2024, include the liabilities for claims and claim adjustment expenses of $5,893, and unallocated loss and loss adjustment expenses of $187.

10. NOTES PAYABLE

In December 2022, the Company entered into a $275,000 term loan facility with a corporate lender. In December 2022, the Company drew $275,000 on this facility. In February 2024, this facility was amended to add $133,000 of borrowing power to facilitate the Sylvan Learning acquisition. In January 2025, this facility was amended to add $16,000 of borrowing power to facilitate the Water Wings acquisition. The term loan requires interest payments on either a monthly or quarterly basis in arrears for which the Company typically has made payments on a quarterly basis. The interest rate on the term loan is based on a 6.0% margin rate plus a variable base. At December 31, 2025 and 2024, the interest rate was 9.67% and 12.25%, respectively. The term loan requires quarterly principal payments in an amount equal to 0.25% of the original gross principal amount borrowed under the agreement. The term loan is secured by the tangible and intangible assets of the Company and its subsidiaries. The principal outstanding balance under the term loan was $412,903 and $401,157 at December 31, 2025 and 2024, respectively. The term loan matures in December 2027 when all principal and accrued interest is due.

In accordance with the terms of the term loan, the Company has a total net leverage ratio covenant with which it was in compliance as of December 31, 2025.

A summary of notes payable outstanding at December 31, 2025 and 2024, is as follows:

	2025	2024
Term Loan	$412,903	$401,157
Less unamortized debt costs	(6,176)	(7,865)
Less current maturities	(4,253)	(4,093)
Total notes payable—net	$402,474	$389,199

As of December 31, 2025, future principal payments due on the notes payable for the years ending December 31 are as follows:

2026	$ 4,253
2027	408,650
Subtotal	412,903
Less unamortized debt costs	(6,176)
Less current maturities	(4,253)
Total notes payable—net	$402,474

11. REVOLVING CREDIT FACILITIES

The Company entered into a $15,000 revolving credit agreement with a corporate lender. As of December 31, 2025 and 2024, the Company had $15,000 and $15,000 in available credit under the revolving credit facility, respectively. Draws under the revolving credit facility bear interest and require interest payments monthly or quarterly in arrears. The interest rate on the revolving credit facility is variable based on a 6.0% margin rate plus a variable base. The revolving credit facility is secured by the tangible and intangible assets of the Company and its subsidiaries.

The revolving credit facility is subject to a quarterly fee on the unused portion of the maximum limit at a rate of 0.50% per annum. In accordance with the terms of the term loan, the Company has a total net leverage ratio covenant with which it was in compliance as of December 31, 2025.

12. MEMBERS' EQUITY

The Company's Limited Liability Agreement authorizes the issuance of 755,257.732 units of which 260,257.732 units are designated as preferred units and 495,000 units are designated as common units. 260,257.732 common units are reserved for issuance upon conversion of the preferred units. Upon the election of the holders of preferred units, the preferred units may convert into common units on a one-for-one basis. As of December 31, 2025, issued and outstanding units included 312,967.555 preferred units and 247,116.859 common units. As of December 31, 2024, issued and outstanding units included 312,967.555 preferred units and 234,742.268 common units.

The preferred units and the common units have no voting rights.

Distributions are paid in the following priority: (1) to holders of preferred units until unreturned capital is reduced to zero; (2) to holders of preferred units and common units proportionally based on total units issued and outstanding.

Net profits and losses of the Company are allocated among members in a manner such that the balance in each member's adjusted capital account for each fiscal year immediately after making all allocations required for the relevant fiscal year are, as nearly as possible, equal to the amount that would be distributed to such member if the Company were dissolved, its affairs wound up, and the net assets of the Company were distributed to the members in accordance with its operating agreement.

Dissolution or winding up of the Company requires the approval of the board of directors.

13. INCENTIVE UNITS

Common units are intended to represent profit interests in the Company and to incentivize individuals to achieve certain operating and financial objectives. The issuance of incentive units requires board of director approval and issued incentive units will be bound by the terms of the unit issuance agreement. Units granted typically vest only upon the sale of the Company, as defined in the unit issuance agreements. One agreement vested at issuance. All nonvested incentive units are subject to potential future forfeiture.

The table below details grants, forfeitures, and vesting of common incentive units for the years ended December 31, 2025 and 2024:

	Common Units	
	Issued Units	Vested Units
Totals at January 1, 2024	19,868	5,440
Units forfeited	(3,610)	-
Units granted	1,138	-
Totals at December 31, 2024	17,396	5,440
Units forfeited	(3,525)	-
Units granted	19,470	-
Totals at December 31, 2025	33,341	5,440

Management estimated the grant-date fair values for the incentive units to be immaterial for financial reporting purposes.

14. FEDERAL INCOME TAXES

Federal income taxes are related to Adventis (Note 9); accordingly, the federal income tax expense and components of the provision are only included for the years ended December 31, 2025 and 2024. Income taxes were computed at the 21% statutory federal income tax rate and a reconciliation to the provision for income taxes for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Federal income tax, statutory rate	$ 485	$ 64
Other	-	226
Total	$ 485	$ 290

The components of the provision for income taxes for the years ended December 31, 2025 and 2024, are as follows:

	2025	2024
Current	$ 3	$ 231
Deferred	482	59
	$ 485	$ 290

The tax effects of temporary differences that give rise to significant portions of deferred taxes at December 31, 2025 and 2024, consisted of the following:

	2025	2024
Deferred tax assets:		
Insurance loss reserve discounting	$ 212	$ 106
Adventis start-up costs	6	7
Unrealized loss on investments	-	10
Net operating loss carryforward	2,927	369
Gross deferred tax assets	3,145	492
Valuation Allowance	(3,145)	-
Net deferred tax assets	$ -	$ 492

The Company is required to periodically assess whether it is more likely than not that it will generate sufficient taxable income to realize its deferred tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, its deferred tax liabilities, the overall business environment, and its outlook for future years. At December 31, 2025 and 2024, management recorded a valuation allowance of $3,145 and $0, respectively, for its net deferred tax assets.

15. RELATED-PARTY TRANSACTIONS

For the years ended December 31, 2025 and 2024, the Company had one franchisee partially owned by members of the Company that accounted for approximately $192 and $313 of revenues and approximately $63 and $64 of accounts receivable as of December 31, 2025 and 2024, respectively.

The Company has a management agreement with an entity for which an employee of the management company is also a board member of Adventis. The management company performed, under the direction of the Company, certain management and administrative services and accounting services. For the years ended December 31, 2025 and 2024, total management fees amounted to $65 and $102, respectively.

The Company incurred approximately $42 and $231 of out-of-pocket costs and other expenditures for the years ended December 31, 2025 and 2024, respectively, to a member of its parent company. All of these costs are included in selling, general, and administrative expenses in the consolidated statements of operations.

16. EMPLOYEE BENEFIT PLAN

The Company sponsors a defined 401(k) contribution plan (the “Plan”) covering substantially all employees. Plan participants may make certain voluntary contributions in which they are 100% vested. The Company has agreed to make certain matching contributions to the Plan not to exceed the amount deductible for federal income tax purposes. The Company made matching contributions of $756 and $809 that are included in salaries and wages expenses in the consolidated statements of operations for the years ended December 31, 2025 and 2024, respectively.

17. SUBSEQUENT EVENTS

The Company evaluated all material events or transactions that occurred after December 31, 2025, the consolidated balance sheet date, through April 16, 2026, the date these consolidated financial statements were available to be issued. There were no significant or material subsequent events which would impact the consolidated financial statements for the year ended December 31, 2025.

* * * * * *

UA Holdings, LLC and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended December 31, 2024 and 2023, and Independent Auditor's Report

UA HOLDINGS, LLC AND SUBSIDIARIES

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1–2
CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Members' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–25

Deloitte & Touche LLP
2200 Ross Ave.
Suite 1600
Dallas, TX 75201

www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of UA Holdings, LLC:

Opinion

We have audited the consolidated financial statements of UA Holdings, LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Deloitte & Touche LLP

March 31, 2025

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2023
(In thousands, except unit and par value data)

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 13,144	$ 16,048
Investments—at fair value	4,376	6,877
Accounts receivable—net	24,645	15,981
Inventory	598	1,366
Deferred attraction costs	20,258	15,535
Deferred initial franchise fee costs—current	946	1,069
Deferred income taxes	492	551
Prepaids and other current assets	5,173	7,471
Total current assets	69,632	64,898
DEFERRED INITIAL FRANCHISE FEE COSTS—Net of current maturities	12,329	19,418
OPERATING LEASE RIGHT-OF-USE ASSET—Net	25,256	38,191
PROPERTY AND EQUIPMENT—Net	11,690	8,184
GOODWILL—Net	331,381	307,074
INTANGIBLE ASSETS—Net	432,462	343,739
OTHER ASSETS	388	112
TOTAL ASSETS	$ 883,138	$781,616
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 5,722	$ 4,017
Accrued liabilities	17,441	18,244
Operating lease liability—current	4,699	5,190
Marketing funds	3,703	3,396
Deferred attractions revenues	14,900	14,677
Deferred franchise fee revenues—current	3,505	2,893
Unpaid insurance losses and loss adjustment expenses	6,080	10,034
Unearned insurance premium	0	149
Notes payable—current	4,093	2,750
Total current liabilities	60,143	61,350
OPERATING LEASE LIABILITY—Net of current portion	31,039	42,068
CONTRACT LIABILITIES—Net of current portion	51,751	53,087
NOTES PAYABLE—Net of current portion	389,199	262,540
Total liabilities	532,132	419,045
MEMBERS' EQUITY:		
Members' equity:		
Preferred units, $1,000 par value—312,968 and 260,258 authorized, issued, and outstanding	313,777	256,078
Common units, $1,000 par value—495,000 authorized; 234,742 issued, and outstanding, respectively	165,447	166,044
Accumulated deficit	(128,218)	(59,551)
Total members' equity	351,006	362,571
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 883,138	$781,616

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	2023
REVENUES:		
Royalty revenues	$ 85,301	$ 56,147
Attraction revenues	22,611	23,757
Merchandise revenues	8,596	7,617
Company-owned unit revenues	15,001	19,370
Franchise fee revenues	15,770	4,526
Marketing fund revenues	25,823	23,995
Net earned insurance premiums	(67)	3,154
Other revenues	21,675	12,921
Total revenues	194,710	151,487
OPERATING EXPENSES:		
Attraction costs	18,362	17,348
Company-owned unit costs	14,595	17,066
Marketing fund costs	25,823	23,995
Salaries and wages	38,076	25,809
Incurred insurance losses and loss adjustment expenses	(7)	7,060
Selling, general, and administrative	44,973	28,082
Amortization of goodwill and intangibles	64,469	53,620
Depreciation and amortization expense	2,039	1,868
Total operating expenses	208,330	174,848
LOSS FROM OPERATIONS	(13,620)	(23,361)
OTHER (EXPENSES) INCOME:		
Interest expense	(52,894)	(37,592)
Loss on disposal of property and equipment	(152)	(216)
Impairment of intangible assets	(2,273)	-
Other income—net	824	901
Total other expenses	(54,495)	(36,907)
LOSS BEFORE FEDERAL TAX BENEFIT AND STATE TAX EXPENSE	(68,115)	(60,268)
FEDERAL TAX (EXPENSE) BENEFIT	(290)	863
STATE TAX EXPENSE	(262)	(211)
NET LOSS	$ (68,667)	$ (59,616)

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands, except unit data)

	Preferred Units		Common Units		Accumulated Earnings (Deficit)	Total Members' Equity
	Units	Amount	Units	Amount		
BALANCE—January 1, 2023	260,258	$ 260,258	234,742	$ 169,814	$ 65	$ 430,137
Member tax distributions	-	(4,180)	-	(3,770)	-	(7,950)
Net loss	-	-	-	-	(59,616)	(59,616)
BALANCE—December 31, 2023	260,258	256,078	234,742	166,044	(59,551)	362,571
Member contributions	52,710	58,325	-	-	-	58,325
Member tax distributions	-	(626)	-	(597)	-	(1,223)
Net loss	-	-	-	-	(68,667)	(68,667)
BALANCE—December 31, 2024	312,968	$ 313,777	234,742	$ 165,447	$ (128,218)	$ 351,006

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (68,667)	$(59,616)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Allowance for credit losses	1,440	660
Depreciation and amortization expense	2,039	1,868
Amortization of goodwill and intangibles	64,469	53,620
Amortization of debt issuance costs	2,474	1,740
Operating lease right-of-use asset amortization	4,391	7,255
Gain on transfer of operating lease right-of-use asset	(1,861)	(1,117)
Impairment of assets	7,576	159
Loss on disposal of property and equipment	55	216
Change in operating assets and liabilities—net:		
Accounts receivable	(4,713)	(1,890)
Inventory	(8)	(607)
Deferred attractions costs	(4,723)	3,106
Deferred initial franchise fee costs	7,932	(284)
Deferred income taxes	59	(268)
Prepaids and other current assets	2,095	1,635
Accounts payable	921	118
Accrued liabilities	(7,595)	4,958
Marketing funds	(620)	(2,605)
Deferred attractions revenues	(153)	635
Contract liabilities	(3,602)	9,773
Operating lease liability	(4,575)	(3,681)
Unpaid insurance losses and loss adjustments	(3,954)	3,663
Unearned insurance premium	(149)	(2,719)
Insurance premium refunds and losses payable	-	(20)
Net cash (used in) provided by operating activities	(7,169)	16,599
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisitions—net of cash acquired (Note 2)	(175,216)	-
Purchases of property and equipment	(5,374)	(1,925)
Proceeds from sale of investments	2,501	1,281
Payments made and proceeds from notes receivable	(276)	441
Net cash used in investing activities	(178,365)	(203)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments made on line of credit	-	(2,000)
Proceeds from issuance of notes payable	133,000	-
Debt issuance costs	(3,378)	-
Payments made on notes payable	(4,094)	(2,750)
Member contributions	58,325	-
Member distributions	(1,223)	(7,950)
Net cash provided by (used in) financing activities	182,630	(12,700)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,904)	3,696
CASH AND CASH EQUIVALENTS—Beginning of year	16,048	12,352
CASH AND CASH EQUIVALENTS—End of year	$ 13,144	$ 16,048
SUPPLEMENTAL DISCLOSURES—Cash paid for interest expense	$ 52,894	$ 37,296
NONCASH TRANSACTIONS:		
Operating lease right-of-use asset obtained in exchange for operating lease liability	$ 506	$ 12,886
Acquired accrued liabilities	$ (6,793)	$ (11)

See notes to consolidated financial statements.

1. NATURE OF OPERATIONS

UA Holdings, LLC (the "Company") commenced operations on January 30, 2018, as a Delaware limited liability company. The consolidated financial statements as of December 31, 2024 and 2023, include the accounts of the Company and its subsidiaries.

At December 31, 2024, the Company had a portfolio of seven brands consisting of "Urban Air Adventure Parks," a family entertainment franchisor; "Sylvan Learning," a franchisor providing supplemental and enrichment education for K-12 students which was acquired on February 16, 2024; "Snapology," a franchisor of STEM/STEAM curriculum for children; "The Little Gym," a franchisor of enrichment and physical development centers for children; "Premier Martial Arts," a franchisor of martial arts studios focused on children; "Class 101," a franchisor of college guidance services; and "XP League," a franchisor of youth eSports leagues. In addition to franchised owned locations, the Company owns and operates Company-owned locations of its brands and Adventis Insurance, Inc. ("Adventis") (Note 9) an insurance company previously providing general liability and workers compensation coverages to franchise owners of Urban Air Adventure Parks and operating in run-off as of December 31, 2024. The Company has a perpetual duration, unless dissolved earlier in accordance with the Company operating agreement. Company-owned locations totaled 12 and 26 at December 31, 2024, and 2023, respectively.

2. ACQUISITIONS

During the year ended December 31, 2024, the Company completed its acquisition of Sylvan Learning. On February 16, 2024, Unleashed Brands, LLC (Buyer) entered into a securities purchase agreement to purchase 100% of the operating assets and assume certain liabilities of Sylvan Learning. Sylvan Learning is the leading provider of personal learning for students in grades K-12. Sylvan Learning's mission to build academic confidence, ignite intellectual curiosity, and inspire a love for learning complemented the other brands in the Company's portfolio. Upon applying Financial Accounting Standards Board Accounting Standards Codification (ASC) 805, *Business Combinations*, $64,074 of goodwill was recognized. This goodwill primarily arises from the acquired workforce and the opportunity to extend existing customer relationships into new markets. As these components do not qualify as distinct intangible assets, they are included in goodwill. The goodwill is expected to be tax deductible.

The Sylvan Learning transaction was accounted for as a business combination. As a result, the consolidated statements of operations reflect Sylvan Learning's operating results from the acquisition date. Transaction costs related to the Sylvan Learning acquisition totaled $2,404 and are included in selling, general, and administrative expenses in the consolidated statements of operations for the year ended December 31, 2024. The base purchase consideration for the Sylvan Learning acquisition was $185,000, subject to certain customary postclosing adjustments, which resulted in $177,197 of cash paid and the acquisition of assets and assumption of liabilities.

The total purchase consideration has been allocated to the following assets and liabilities as of the February 16, 2024, acquisition date as follows:

Cash and cash equivalents	$ 1,981
Accounts receivable—net	5,391
Property and equipment—net	226
Franchise agreements	100,500
Trade name	12,300
Software	2,900
Goodwill	64,074
Other assets	2,089
Accounts payable	(784)
Accrued liabilities	(6,793)
Marketing funds	(927)
Other liabilities	(882)
Contract liabilities	(2,878)
Total purchase price	$177,197

In accordance with ASC 805, the total consideration transferred for the acquisition of Sylvan Learning was allocated to the identifiable assets acquired and liabilities assumed based on their respective acquisition-date fair values. The resulting allocation reflects the fair value of the net assets acquired. This allocation resulted in the recognition of the following intangible assets at the acquisition date: $100,500 to franchise agreements, $12,300 to the trade name, and $2,900 to internally developed software. Management determined the estimated fair values of intangible assets as of the Sylvan Learning acquisition date using the relief from royalty method for trademarks and income approach for franchise agreements. The relief from royalty method used to estimate the fair values of trademarks estimated projected future cost savings achieved by avoiding the use of third-party trademarks or licensing third-party software. Projected cash flows or cash savings are discounted at a required rate of return that reflects the relative risk of achieving the cash flows and the time value of money. Franchise agreements were valued using the income approach method used to estimate the fair values of franchise agreements. A derivation of discounted cash flow analysis, specifically the Multi period Excess Earnings Method was performed on the future projected cash flow of the existing franchise agreements. The fair value was then determined by adding the present value of the franchisee cash flows with the present value of the income tax benefit resulting from the amortization of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates—The preparation of consolidated financial statements in conformity with 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to measurement of unpaid insurance losses and loss adjustment expenses and impairment testing of intangible assets and goodwill.

Cash and Cash Equivalents—The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2024 and 2023, the Company had $403 and $775 in such investments, respectively. The Company maintains deposits primarily in three financial institutions, which may at times exceed amounts covered by insurance provided by the US Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Investments in Debt and Equity Securities—Investments in equity securities, with readily determinable fair values, are measured at fair value at the time of purchase, with subsequent changes in fair value included in other income or expense in the consolidated statements of operations. All of the Company's debt securities as of December 31, 2024 and 2023, were classified as available for sale. Available-for-sale securities may be sold prior to maturity and are carried at fair value. The Company accounts for its investments in debt securities in accordance with ASC 320, *Investments—Debt Securities*. Management determines the appropriate classification of its investments at the time of purchase and reevaluates such determination at each balance sheet date.

The amortized cost of debt securities is adjusted using the effective interest rate method for amortization of premiums and accretion of discounts. Such amortization and accretion are included in other income in the consolidated statements of operations. Net unrealized (losses) and gains on available-for-sale debt securities were ($17) and $190 for the years ended December 31, 2024 and 2023, respectively.

Other-than-Temporary Impairments on Investments—The Company determines other-than-temporary impairments on debt securities in accordance with certain provisions of ASC 320. This guidance requires the Company to evaluate whether it intends to sell an impaired debt security or whether it is more likely than not that it will be required to sell an impaired debt security before recovery of the amortized cost basis. If either of these criteria are met, an impairment equal to the difference between the debt security's amortized cost and its fair value is recognized in earnings. For impaired debt securities that do not meet these criteria, the Company determines if a credit loss exists with respect to the impaired security. If a credit loss exists, the credit loss component of the impairment, which is equal to the difference between the security's amortized cost and its projected net present value of future cash flows from the security, is recognized in other income. For the years ended December 31, 2024 and 2023, no impairment related to debt securities was recorded. At December 31, 2024 and 2023, the Company held $4,005 and $4,626, respectively, in debt securities.

Accounts Receivable—Accounts receivable consist of franchise royalties and other costs billed to franchisees. Accounts receivable are stated at amounts management expects to collect from outstanding balances. Credit is extended to customers based upon evaluation of the customer's financial condition, and collateral is not required. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2024 and 2023, the Company had an allowance for credit losses of $3,662 and $1,644, respectively.

Inventory—Inventory is stated at the lower of cost or net realizable value using the first-in, first-out method. The Company records a provision for obsolete and slow-moving inventory, when necessary, based on current inventory levels, as well as historical and expected future production levels. Based on

the Company's assessment, there was a provision for obsolete inventory of $791 and $0 for the years ended December 31, 2024 and 2023, respectively, and no lower of cost or net realizable value adjustments at December 31, 2024 and 2023.

Deferred Initial Franchise Fee Costs—The Company has capitalized costs in relation to commission costs incurred for the sale of franchise agreements. Capitalized costs directly related to these activities are $13,275 and $20,487 as of December 31, 2024 and 2023, respectively, and are reported as deferred initial franchise fee costs in the accompanying consolidated balance sheets.

Leases—The Company recognizes the assets and liabilities that arise from leases in the consolidated balance sheets. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use assets and lease liabilities measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the noncancelable lease term. Lease expense for the Company's finance leases is composed of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. As of December 31, 2024 and 2023, the Company recorded operating lease right-of-use assets and lease liabilities at their fair value.

The Company has elected not to separate lease and nonlease components for all asset classes.

When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate, based on similar term US Treasury note or bond rates, for the initial and subsequent measurement of lease liabilities for all asset classes.

The Company elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Contract Assets and Liabilities—The Company has contract liabilities, which represent deferred revenues from certain preopening activities and area development fees. The Company has determined that preopening activities and area development fees do not represent distinct goods or services transferred to the franchisee. Accordingly, these costs are deferred over the related franchise agreement, which is typically 10 years.

The Company's contract assets relating to attraction costs include the costs to acquire and transport the attraction equipment, labor for its installation, and other indirect costs related to contract performance. All costs incurred are recorded in the consolidated balance sheets as deferred attraction costs and are incurred on uncompleted attractions until the associated revenues are realizable, which is typically at the grand opening. As of December 31, 2024 and 2023, incurred costs related to unopened franchise locations totaled $20,258 and $15,535, respectively.

Fair Value of Financial Instruments—The Company's financial instruments include cash, investments, accounts receivable, and accounts payable. As of December 31, 2024 and 2023, the carrying value of these financial instruments approximate their fair values because of the short-term maturities or variable borrowing rate nature of these instruments.

Property and Equipment—Property and equipment are stated at cost, less accumulated depreciation. Expenditures which substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair costs are expensed as incurred. Property and equipment are capitalized if they

have individual costs of at least $5 and useful lives of greater than one year. Leasehold improvements are amortized over the lesser of the lease term or useful life if applicable. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts, and the gains or losses are reflected in the consolidated statements of operations.

Depreciation and amortization are calculated using the straight-line method over the established useful lives of the individual assets as follows:

	Useful Lives
Transportation assets	3–5 years
Leasehold improvements	7–15 years
Computer and software	3 years
Furniture, fixtures, and equipment	5 years
Vehicles	5 years

Impairment of Long-Lived Assets—In accordance with ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may no longer be recoverable. The Company assesses recoverability of the carrying amount by estimating the undiscounted future net cash flows expected to result from the asset over its expected useful life, including eventual disposition. If the future undiscounted net cash flows are less than the carrying amount of the asset, an impairment loss is recorded equal to the difference between the assets carrying amount and its fair value. No impairment of long-lived assets was recognized for the years ended December 31, 2024 and 2023.

Goodwill and Intangible Assets—The Company amortizes goodwill over 10 years. Intangible assets acquired in a business combination are recorded at fair value. Intangible assets with finite lives are amortized based on the pattern in which the economic benefits of the assets are estimated to be consumed, or using the straight-line method if that pattern cannot be reliably determined, over the useful lives as disclosed in Note 6.

The Company tests goodwill and other definite-lived intangible assets for impairment if an event occurs or changes in circumstance indicate that the fair value of the entity may be below its carrying value. A goodwill impairment loss, if any, is measured as the amount by which the carrying value of the entity including goodwill exceeds its fair value.

Indefinite-lived assets are not amortized but are evaluated for impairment on an annual basis or more frequently if indicators of impairment are present. Impairment charges related to indefinite-lived assets are recognized when the fair value is less than the carrying value of the asset. Costs incurred to renew or extend the term of a recognizable asset are expensed as incurred. During the years ended December 31, 2024 and 2023, the Company recorded impairment of $2,273 and $0, respectively, as disclosed in Note 6.

Insurance Related Activities—The Company used Adventis, a wholly owned subsidiary of the Company and captive insurance company to issue policies for general liability coverage and workers' compensation coverage to franchise owners. The Company ceased issuing general liability policies effective May 2023 and workers' compensation coverages effective May 2024 and is currently operating in run-off.

Unpaid Insurance Losses and Loss Adjustment Expenses—Reserves for unpaid losses and loss adjustment expenses includes case basis estimates of reported losses, plus amounts for incurred but

not reported (IBNR) losses calculated based upon loss projections utilizing industry data. In establishing this reserve, the Company utilizes the findings of an independent consulting actuary. Management believes that its aggregate reserve for unpaid losses and loss adjustment expenses at year-end represents its best estimate, based on the available data, of the amount necessary to cover the ultimate cost of losses. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

Insurance Premiums—Premiums are earned over the period that coverage is provided. Unearned premiums are calculated on a daily pro rata basis for the unexpired terms of individual policies in force.

Premium Deficiency—The Company recognizes premium deficiencies when there is a probable loss on an insurance contract. Premium deficiencies are recognized if the sum of expected losses and loss adjustment expenses, expected dividends to the policy holder, unamortized deferred acquisition costs, and maintenance costs exceed unearned premiums and anticipated investment income. There were no premium deficiencies for the years ended December 31, 2024 and 2023.

Revenue Recognition—The Company's revenues are substantially composed of service revenues. Revenue is recognized when the Company satisfies its performance obligation under each contract after it has provided the service to each customer. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or providing services. The nature of the Company's contracts do not give rise to any notable amounts of variable consideration with its customers. The Company's contracts do not give rise to any significant financing components (including contracts where the timing of the transfer of goods or services is at the discretion of the customer). The type or location of services performed do not significantly impact the nature, amount, timing, or uncertainty of revenues and cash flows.

The Company performs the following obligations within each franchise agreement contract—approval of real estate and facility layout for nonmobile units, training of the franchisee, and providing access to the respective brand's intellectual property, which are not distinct within the context of the contract. The Company has concluded that there is a single performance obligation related to each contract recognized at the time of the unit opening.

Substantially, all of the Company's revenues are from services provided to customers at a point in time, with the exception of franchise fee revenue and insurance premiums, which are deferred and recognized over the term of the related agreements.

The Company's costs which are not incremental to obtaining a contract are expensed as incurred.

Sales, value added, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

The primary sources of revenue for the Company are recognized as follows:

Royalty Revenues—Royalty revenue is recognized in the period earned and ranges from 7–16% of gross revenue based on the franchise brand. Royalty revenues are allocated to the outcome from the performance obligation of having access to the license, i.e., franchise location's monthly sales. The Company records the royalty revenue as the franchisee's monthly sales occur.

Attraction Revenues—Attraction revenue is recognized as revenue when earned, which is at the grand opening of the associated franchised park.

Merchandise Revenues—Merchandise revenue relates to commissions received from third-party companies that purchase inventory and sell merchandise to franchisee locations. The third-party vendors provide this merchandise at a cost to the franchisees that is lower than they could otherwise purchase individual items in like quantities, quality, etc. The third parties, under license from the Company of its trademarks, procure licensed products from manufacturers and sell them to the Company's franchisees. The Company recognizes revenue as the underlying purchases are made by the franchisees, net of estimated returns, based on agreed-upon commission rates.

Franchise Fee Revenues—Franchise fee revenue is recognized as revenue when earned. The Company receives an initial franchise fee as franchise agreements are signed. Franchise fee revenue is deferred until opening of the location, and then recognized over the term of the franchise agreement, which is typically 10 years (over time revenue). At December 31, 2024 and 2023, deferred franchise fee revenues totaled $55,256 and $55,980, respectively, and are classified as contract liabilities in the consolidated balance sheets (Note 7). Due to closures and terminations in the Premier Martial Arts brand, the Company accelerated recognition of $10,758 and $650 of revenue for the years ended December 31, 2024 and 2023, respectively, and $8,729 and $514 of related costs for the years ended December 31, 2024 and 2023, respectively, which are presented in franchise fee revenues and salaries and wages within the consolidated statements of operations, respectively.

Other Revenues—Other revenues include various ancillary revenue streams all recognized when earned, which is generally as services are performed.

Marketing Fund Revenues—The Company administers various marketing funds for its brands, for which franchisees and Company-owned parks both contribute. The contributions range from 1–4.5% of gross sales based on the franchise brand. These contributions are used for various forms of brand advertising in accordance with its various brand franchise agreements. The Company has a contractual obligation to use marketing fund contributions for advertising, public relations, merchandising, and similar activities. Marketing fund liabilities are included in the consolidated balance sheets as marketing funds and totaled $3,703 and $3,396 as of December 31, 2024 and 2023, respectively. Marketing fund revenues and expenditures are recorded on a gross basis within the consolidated statements of operations as contributions are billed, increasing both the gross amount of reported revenues and expenses and generally has no impact on income (loss) from operations and net income (loss).

The Company disaggregates revenue from contracts with customers by project type, as the Company believes it best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. All the Company's revenues are recognized at a point-in-time with the exception of initial franchise fees and insurance premiums, which are recognized over the term of the related agreements. The following table presents the Company revenues disaggregated by timing:

	2024	2023
Over time revenue	$ 15,703	$ 7,680
Point in time revenue	179,007	143,807
	$ 194,710	$ 151,487

Advertising Costs—Advertising costs include discretionary local and national campaign marketing expenses associated with the Sylvan Brand, franchise recruitment marketing and other general corporate marketing expenditures and are included in selling, general, and administrative expenses in the consolidated statements of operations. Advertising costs are expensed as incurred and totaled $13,160 and $4,149 for the years ended December 31, 2024 and 2023, respectively. Franchisee contributions for the discretionary local marketing for Sylvan Learning are included in other revenues within the consolidated statements of operations.

Debt Financing Costs—Costs related to obtaining financing are capitalized and presented as a deduction against the corresponding debt. Debt financing costs are amortized over the respective debt agreement using the effective interest method with amortization expense included in interest expense in the consolidated statements of operations. In December 2022, the Company recorded $8,700 in gross debt financing costs related to its term loan that is being amortized over the term of the debt. In February 2024, the Company recorded an additional $3,378 in gross debt financing costs in relation to borrowings to complete the Sylvan Learning acquisition. Amortization expense totaled $2,474 and $1,740 for the years ended December 31, 2024 and 2023, respectively. Unamortized debt financing costs were $7,865 and $6,960 as of December 31, 2024 and 2023, respectively.

Income Taxes—The Company is organized as a Delaware limited liability company and, therefore, federal tax obligations are passed through to its members. The Company is subject to various state taxes.

The Company accounts for uncertain tax positions in accordance with the asset and liability method. The Company has evaluated its tax positions and has not identified any material uncertain tax positions that would not be sustained in federal or state income tax examination or that require disclosure. Accordingly, no provision for uncertainties in income taxes has been made in the accompanying consolidated financial statements. The Company recognizes interest and penalties on income taxes as a component of income tax expense.

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value standard also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of observable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1—Quoted prices are available in active markets for identical instruments as of the reporting date. The type of instruments included in Level 1 include listed equities and listed derivatives.

Level 2—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Instruments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3—Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require

significant management judgment or estimation. Instruments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, mezzanine funds, funds of hedge funds, distressed debt, and noninvestment grade residual interests in securitizations and collateralized debt obligations.

The Company classified its investments in exchange-traded funds as Level 1 in accordance with the criteria described above.

The following table presents the Level 1, Level 2, and Level 3 financial instruments measured, reported, and carried at fair value, as of December 31, 2024, in accordance with the valuation hierarchy:

	Level 1	Level 2	Level 3	Total
Debt securities:				
Corporate bonds	$ -	$ 7	$ -	$ 7
Other fixed income	-	2,301	-	2,301
Treasury securities	-	1,697	-	1,697
Subtotal	-	4,005	-	4,005
Equity:				
Common stocks	-	-	-	-
Preferred stocks	371	-	-	371
Subtotal	371	-	-	371
Total	$371	$4,005	$ -	$4,376

The following table presents the Level 1, Level 2, and Level 3 financial instruments measured, reported, and carried at fair value, as of December 31, 2023, in accordance with the valuation hierarchy:

	Level 1	Level 2	Level 3	Total
Debt securities:				
Corporate bonds	$ -	$ 7	$ -	$ 7
Other fixed income	-	2,591	-	2,591
Treasury securities	-	2,028	-	2,028
Subtotal	-	4,626	-	4,626
Equity:				
Common stocks	700	-	-	700
Preferred stocks	338	-	-	338
Exchange traded funds	352	-	-	352
Subtotal	1,390	-	-	1,390
Private equity funds	-	-	861	861
Total	$1,390	$4,626	$861	$6,877

Investments in equity securities were measured using Level 1 fair values based upon observable quoted market prices from national security exchanges.

Investments in debt securities were measured using Level 2 fair values based upon inputs, such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, offers, bids, and reference data.

Investments in alternative investments funds held by the Company as of December 31, 2024 and 2023, using significant unobservable inputs (Level 3) to measure fair value did not change from December 31, 2023, to December 31, 2024. Accordingly, no change to net unrealized and realized gains or losses were recorded in the consolidated statements of operations.

The Company may withdraw funds monthly or quarterly, depending on the fund. There are no unfunded capital commitments as of December 31, 2024 and 2023.

The Company's nonfinancial assets, which primarily consist of property and equipment, right-of-use assets, goodwill and other intangible assets, are not required to be carried at fair value on a recurring basis and are reported at carrying value.

5. PROPERTY AND EQUIPMENT—NET

Property and equipment at December 31, 2024 and 2023, consisted of the following:

	2024	2023
Company-owned units	$ 4,907	$ 5,000
Leasehold improvements	5,191	5,182
Computer and software	5,635	4,638
Furniture and fixtures	1,163	928
Vehicles	70	70
Construction in progress	5,173	816
Subtotal	22,139	16,634
Less accumulated depreciation and amortization	(10,449)	(8,450)
Property and equipment—net	$ 11,690	$ 8,184

Depreciation and amortization expense for the years ended December 31, 2024 and 2023, was $2,039 and $1,868, respectively.

6. GOODWILL AND INTANGIBLE ASSETS—NET

Goodwill and intangible assets at December 31, 2024, consist of the following:

	Economic Life	Total Intangible Assets and Goodwill	Accumulated Amortization	Net Intangible Assets and Goodwill
Royalty agreements	13–20 years	$438,000	$ (42,252)	$395,748
Trade names	Indefinite	33,100	-	33,100
Customer relationships	5 years	2,600	(1,040)	1,560
Software	3 years	2,900	(846)	2,054
Goodwill	10 years	405,682	(74,301)	331,381
Total		$882,282	$(118,439)	$763,843

Goodwill and intangible assets at December 31, 2023, consist of the following:

	Economic Life	Total Intangible Assets and Goodwill	Accumulated Amortization	Net Intangible Assets and Goodwill
Royalty agreements	13–20 years	$337,700	$(18,941)	$318,759
Trade names	Indefinite	22,900	-	22,900
Customer relationships	5 years	2,600	(520)	2,080
Goodwill	10 years	341,607	(34,533)	307,074
Total		$704,807	$(53,994)	$650,813

Amortization expense for the years ended December 31, 2024 and 2023, was $64,469 and $53,620, respectively. During the year ended December 31, 2024, the Company determined that the carrying values of certain intangible assets were in excess of their fair values. Accordingly, the Company recorded an impairment loss of $2,100 related to trade names and an impairment loss of $173 related to royalty agreements. There was no impairment for goodwill or intangible assets recorded for the year ended December 31, 2023.

The amortization of royalty agreements, customer relationships, software, and goodwill for the years ending December 31 are as follows:

Royalty Agreements		Customer Relationships		Software		Goodwill	
2025	$ 23,953	2025	$ 520	2025	$ 967	2025	$ 40,567
2026	23,953	2026	520	2026	967	2026	40,567
2027	23,953	2027	520	2027	120	2027	40,567
2028	23,953	2028	-	2028	-	2028	40,567
2029	23,953	2029	-	2029	-	2029	40,567
Thereafter	275,983	Thereafter	-	Thereafter	-	Thereafter	128,546
Total	$ 395,748	Total	$ 1,560	Total	$ 2,054	Total	$331,381

7. CONTRACT LIABILITIES

Contract liabilities at December 31, 2024 and 2023, consisted of the following:

	2024	2023
Franchise fees—net	$ 55,256	$ 55,980
Attraction revenues	14,900	14,677
Subtotal	70,156	70,657
Less current portion	(18,405)	(17,570)
Contract liabilities—net of current portion	$ 51,751	$ 53,087

8. COMMITMENTS AND CONTINGENCIES

Operating Leases—Right-of-use assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Company's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Company's sole discretion. The Company regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Company includes such options in the lease term.

Right-of-use assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842. During 2024, the Company terminated certain operating leases in conjunction with the targeted closure of Company-owned locations. This resulted in impairment of right-of use assets totaling $3,584 which is included in selling, general, and administrative expenses in the consolidated statements of operations.

The Company makes significant assumptions and judgments in assessing its right-of-use assets and lease liabilities:

- Evaluates whether a contract contains a lease, by considering factors, such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determines whether contracts contain embedded leases.
- Evaluates leases with similar commencement dates, lengths of term, renewal options, or other contract terms, which, therefore, meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases.
- Determines for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments.

The Company does not have material leasing transactions with related parties.

The Company's lease agreements contain lease incentives related to tenant improvement allowances. During the years ended December 31, 2024 and 2023, tenant improvement allowances reimbursed by the landlords totaled $1,564 and $1,606, respectively. The Company recorded an impairment loss on two tenant improvement allowances of $1,052 for the year ended December 31, 2024, that are included in selling, general, and administrative expenses in the consolidated statements of operations. Included in the Company's prepaids and other current assets in the consolidated balance sheets are tenant improvement allowance receivables of $2,432 and $5,051 as of December 31, 2024 and 2023, respectively.

The following table summarizes the lease right-of-use assets and lease liabilities as of December 31, 2024 and 2023:

	2024	2023
Right-of-use assets—operating leases	$25,256	$38,191
Lease liabilities:		
Current operating lease liabilities	$ 4,699	$ 5,190
Long-term operating lease liabilities	31,039	42,068
Total lease liabilities	$35,738	$47,258

Below is a summary of expenses incurred pertaining to leases for the years ended December 31, 2024 and 2023:

	2024	2023
Operating lease expense	$6,135	$7,323
Sublease income	(163)	(68)
Total lease expense	$5,972	$7,255
Weighted-average remaining lease term (in years)—operating leases	7.64	8.55
Weighted-average discount rate—operating leases	2.83 %	2.80 %

Total rent expense, including variable lease costs, such as common area maintenance and property taxes, totaled $7,418 and $8,487 for the years ended December 31, 2024 and 2023, respectively. These costs are included in Company-owned unit costs and selling, general, and administrative expenses in the consolidated statements of operations.

The table below summarizes the Company's scheduled future minimum lease payments for years ending after December 31, 2024:

Years Ending December 31	
2025	$ 5,645
2026	5,841
2027	4,795
2028	4,618
2029	4,570
Thereafter	14,602
Total lease payments	40,071
Less present value discount	(4,333)
Total lease liabilities	35,738
Less current portion	(4,699)
Long-term lease liabilities	$31,039

Lease Guarantees—On occasion, the Company has acted as co-guarantor with certain of its franchisees in connection with leases necessary in establishing their businesses. As of December 31, 2024 and 2023, the Company had limited guarantees for leases on 10 and nine franchised locations, respectively, totaling a maximum of $9,878 and $12,129, respectively, in potential lease payments.

Litigation—The Company may be a party to routine claims brought against it in the ordinary course of business. The Company estimates whether such liabilities are probable to occur and whether reasonable estimates can be made and accrues liabilities when both conditions are met. Although the ultimate outcome of these matters, if and when they arise, cannot be accurately predicted due to the inherent uncertainty of litigation, in the opinion of management, based upon current information, no currently pending or overtly threatened claim is expected to have a material adverse effect on the Company's business, financial condition, or results of operations. However, it is possible that an unfavorable resolution of one or more such future proceedings could materially and adversely affect the Company's consolidated financial position, results of operations, or cash flows.

9. INSURANCE ACTIVITIES

General liability limits provided are $250 per occurrence with no aggregate limit. Worker's compensation limits provided are $500 per occurrence with an aggregate limit of 150% of the gross written premium. There were no policies issued during 2024, and all policies issued during 2023 expired on May 27, 2024, to concur with primary policy terms. Premiums written for the years ended December 31, 2024 and 2023, were $0 and $389, respectively. Net premiums assumed for the years ended December 31, 2024 and 2023, were a loss of $67 and earnings of $3,154, respectively.

Incurred and Paid Claims Development by Accident Year—IBNR reserve estimates are generally calculated by first projecting the ultimate cost of all claims that have occurred and then subtracting reported losses and loss expenses. Loss projections based upon industry data to develop loss development factors that multiplicatively accumulated to arrive at age-to-ultimate loss development factors.

Reported losses include cumulative paid losses and loss expenses, plus case reserve estimates. The IBNR reserve includes a provision for the claims that have occurred but have not yet been reported, some of which are not yet known to the Company, as well as a provision for the future development on reported claims. The following paragraph details the IBNR liabilities and claims frequency, which is measured by claim event, for each accident year presented for the general liability coverage. Claim counts for the general liability coverage are presented based upon the number of claim occurrences reported.

For the year ended December 31, 2024, the Company incurred cumulative claims and claim adjustment expenses of $14,881 and had cumulative paid claims and allocated claim adjustment expenses of $8,988, resulting in liabilities for claims and claim adjustment expenses of $5,893. For the year ended December 31, 2023, the Company incurred cumulative claims and claim adjustment expenses of $14,478 and had cumulative paid claims and allocated claim adjustment expenses of $4,786, resulting in liabilities for claims and claim adjustment expenses of $9,692. For the year ended December 31, 2024, expected development on reported claims and IBNR totaled $3,550, with cumulative reported claims of 949. For the year ended December 31, 2023, expected development on reported claims and IBNR totaled $7,538, with cumulative reported claims of 753.

The unpaid insurance losses and loss adjustment expenses presented as liabilities in the consolidated balance sheets at December 31, 2024, include the liabilities for claims and claim adjustment expenses of $5,893, and unallocated loss and loss adjustment expenses of $187.

The unpaid insurance losses and loss adjustment expenses presented as liabilities in the consolidated balance sheets at December 31, 2023, include the liabilities for claims and claim adjustment expenses of $9,692, and unallocated loss and loss adjustment expenses of $342.

10. NOTES PAYABLE

In December 2022, the Company entered into a $275,000 term loan facility with a corporate lender. In December 2022, the Company drew $275,000 on this facility. In February 2024, this facility was amended to add $133,000 of borrowing power to facilitate the Sylvan Learning acquisition. The term loan requires interest payments on either a monthly or quarterly basis in arrears for which the Company typically has made payments on a quarterly basis. The interest rate on the term loan is based on a 7.5% margin rate plus a variable base. At December 31, 2024 and 2023, the interest rate was 12.25% and 13%, respectively. The term loan requires quarterly principal payments in an amount equal to 0.25% of the original gross principal amount borrowed under the agreement. The term loan is secured by the tangible and intangible assets of the Company and its subsidiaries. The principal outstanding balance under the term loan was $401,157 and $272,250 at December 31, 2024 and 2023, respectively. The term loan matures in December 2027 when all principal and accrued interest is due.

In accordance with the terms of the term loan, the Company has a total net leverage ratio covenant with which it was in compliance as of December 31, 2024.

A summary of notes payable outstanding at December 31, 2024 and 2023, is as follows:

	2024	2023
Term Loan	$401,157	$272,250
Less unamortized debt costs	(7,865)	(6,960)
Less current maturities	(4,093)	(2,750)
Total notes payable—net	$389,199	$262,540

As of December 31, 2024, future principal payments due on the notes payable for the years ending December 31 are as follows:

2025	$ 4,093
2026	4,093
2027	392,971
Subtotal	401,157
Less unamortized debt costs	(7,865)
Less current maturities	(4,093)
Total notes payable—net	$389,199

11. REVOLVING CREDIT FACILITIES

The Company entered into a $15,000 revolving credit agreement with a corporate lender. In December 2022, the Company drew $2,000 on this facility and subsequently repaid in full the $2,000 in August 2023. As of December 31, 2024 and 2023, the Company had $15,000 in available credit under the revolving credit facility, respectively. Draws under the revolving credit facility bear interest and require interest payments monthly or quarterly in arrears. The interest rate on the revolving credit facility is variable based on a 7.5% margin rate plus a variable base. The revolving credit facility is secured by the tangible and intangible assets of the Company and its subsidiaries.

The revolving credit facility is subject to a quarterly fee on the unused portion of the maximum limit at a rate of 0.50% per annum. In accordance with the terms of the term loan, the Company has a total net leverage ratio covenant with which it was in compliance as of December 31, 2024.

12. MEMBERS' EQUITY

The Company's Limited Liability Agreement authorizes the issuance of 755,257.732 units of which 260,257.732 units are designated as preferred units and 495,000 units are designated as common units. 260,257.732 common units are reserved for issuance upon conversion of the preferred units. Upon the election of the holders of preferred units, the preferred units may convert into common units on a one-for-one basis. As of December 31, 2024, issued and outstanding units included 312,967.555 preferred units and 234,742.268 common units. As of December 31, 2023, issued and outstanding units included 260,257.732 preferred units and 234,742.268 common units.

The preferred units and the common units have no voting rights.

Distributions are paid in the following priority: (1) to holders of preferred units until unreturned capital is reduced to zero; (2) to holders of preferred units and common units proportionally based on total units issued and outstanding.

Net profits and losses of the Company are allocated among members in a manner such that the balance in each member's adjusted capital account for each fiscal year immediately after making all allocations required for the relevant fiscal year are, as nearly as possible, equal to the amount that would be distributed to such member if the Company were dissolved, its affairs wound up, and the net assets of the Company were distributed to the members in accordance with its operating agreement.

Dissolution or winding up of the Company requires the approval of the board of directors.

13. INCENTIVE UNITS

Common units are intended to represent profit interests in the Company and to incentivize individuals to achieve certain operating and financial objectives. The issuance of incentive units requires board of director approval and issued incentive units will be bound by the terms of the unit issuance agreement. Units granted typically vest only upon the sale of the Company, as defined in the unit issuance agreements. One agreement vested at issuance. All nonvested incentive units are subject to potential future forfeiture.

The below table details grants, forfeitures, and vesting of common incentive units for the years ended December 31, 2024 and 2023:

	Common Units	
	Issued Units	Vested Units
Totals at January 1, 2023	-	-
Units granted	19,868	5,440
Totals at December 31, 2023	19,868	5,440
Units forfeited	(3,610)	-
Units granted	1,138	-
Totals at December 31, 2024	17,396	5,440

Management estimated the grant-date fair values for the incentive units to be immaterial for financial reporting purposes.

14. FEDERAL INCOME TAXES

Federal income taxes are related to Adventis (Note 9); accordingly, the federal income tax expense and components of the provision are only included for the years ended December 31, 2024 and 2023. Income taxes were computed at the 21% statutory federal income tax rate and a reconciliation to the provision for income taxes for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Federal income tax, statutory rate	$ 64	$(873)
Other	226	10
Total	$290	$(863)

The components of the provision for income taxes for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Current	$231	$(600)
Deferred	59	(263)
	$290	$(863)

The tax effects of temporary differences that give rise to significant portions of deferred taxes at December 31, 2024 and 2023, consisted of the following:

	2024	2023
Deferred tax assets and liabilities:		
Insurance loss reserve discounting	$106	$193
Unearned insurance premiums	-	6
Adventis start-up costs	7	8
Unrealized loss on investments	10	2
Net operating loss carryforward	369	350
Deferred acquisition costs	-	(8)
	$492	$551

The Company is required to periodically assess whether it is more likely than not that it will generate sufficient taxable income to realize its deferred tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, its deferred tax liabilities, the overall business environment, and its outlook for future years. At December 31, 2024 and 2023, management determined a valuation allowance for its net deferred tax assets is not required as realization of the deferred tax assets is more likely than not.

15. RELATED-PARTY TRANSACTIONS

For the years ended December 31, 2024 and 2023, the Company had one franchisee partially owned by members of the Company that accounted for approximately $313 and $314 of revenues and approximately $64 and $34 of accounts receivable as of December 31, 2024 and 2023, respectively.

The Company has a management agreement with an entity for which an employee of the management company is also a board member of Adventis. The management company performed, under the direction of the Company, certain management and administrative services and accounting services. For the years ended December 31, 2024 and 2023, total management fees amounted to $102 and $92, respectively.

The Company incurred approximately $231 and $57 of out-of-pocket costs and other expenditures for the years ended December 31, 2024 and 2023, respectively, to a member of its parent company. All of these costs are included in selling, general, and administrative expenses in the consolidated statements of operations.

16. EMPLOYEE BENEFIT PLAN

The Company sponsors a defined 401(k) contribution plan (the "Plan") covering substantially all employees. Plan participants may make certain voluntary contributions in which they are 100% vested. The Company has agreed to make certain matching contributions to the Plan not to exceed the amount deductible for federal income tax purposes. The Company made matching contributions of $809 and $552 that are included in salaries and wages expenses in the consolidated statements of operations for the years ended December 31, 2024 and 2023, respectively.

17. SUBSEQUENT EVENTS

The Company evaluated all material events or transactions that occurred after December 31, 2024, the consolidated balance sheet date, through March 31, 2025, the date these consolidated financial statements were available to be issued. There were no other significant or material subsequent events which would impact the consolidated financial statements for the year ended December 31, 2024, other than those disclosed below:

Effective January 16, 2025, the Company completed the acquisition of 100% of the operating assets and liabilities of the Water Wings swim center business, thereby expanding its portfolio to eight brands.

* * * * * *

(Modified graphics)urmance

GUARANTEE OF PERFORMANCE

For value received, UA Holdings, LLC, a Delaware limited liability company (the "Guarantor"), located at 2350 Airport Freeway, Suite 505, Bedford, TX 76022, absolutely and unconditionally guarantees to assume the duties and obligations of Sylvan Learning, LLC, located at 2350 Airport Freeway, Suite 505, Bedford, TX 76022 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Bedford, Texas on the 31st day of March, 2026.

The Guarantor signs this guarantee at Bedford, Texas on the 31st day of March, 2025.

Guarantor:

~~UA Holdings, LLC~~

UA Holdings, LLC

By: _____
Stephen Polozola, Chief Legal Officer

By: _____
Stephen Polozola, Special Counsel

EXHIBIT D
TO THE FRANCHISE DISCLOSURE DOCUMENT

CURRENT FRANCHISEES AND DEVELOPERS, FORMER FRANCHISEES AND DEVELOPERS, AND AFFILIATE OWNED LOCATIONS

LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, ~~2024~~2025

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of Hoover	3659 Lorna Rd, Lorna Brook Village, Ste 137	Birmingham, Alabama 35216	(205) ~~987-9802~~558-9416	MKZ Management Group LLC
Sylvan Learning of Montgomery	4240 Loma Street	Montgomery, Alabama 36106	(334) 262-0043	Ateam, Inc.
Sylvan Learning of Prattville	2046 Fairview Avenue	Prattville, Alabama 36066	(334) 212-8448	Extending Palms LLC
~~Sylvan Learning of Trussville~~	~~1110 N. Chalkville Rd # 144~~	~~Trussville, Alabama 35173~~	~~(205) 508-5474~~	~~MKZ Management Group LLC~~
Sylvan Learning of West Hoover	~~Relocating, offering online programs in the interim~~3421 S. Shades Crest Rd.	West Hoover, Alabama 35244	(205) 730-5330	Euell Ventures LLC
Sylvan Learning of Wetumpka	617 S. Main Street	Wetumpka, Alabama 36092	(334) 478-3047	Extending Palms LLC
Sylvan Learning of Anchorage	2217 E. Tudor Road Suite 1A	Anchorage, Alaska 99507	(907) 561-2229	Learning Systems, LLC
Sylvan Learning of Wasilla	281 N Main St.	Wasilla, Alaska 99654	(907) 357-7323	Learning Systems, LLC
Sylvan Learning of Chandler	2160 W. Chandler Blvd. #16	Chandler, Arizona 85224	(480) 897-3222	Wootton Educators, Inc.
Sylvan Learning of Gilbert & Queen Creek	2335 S. Lindsay Road, Suite 114	Gilbert, Arizona 85295	(480) 963-5900	Vertex Education Services, LLC
Sylvan Learning of Glendale	8190 W. Union Hills Drive, Suite 120	Glendale, Arizona 85308	(623) 537-3611	West East Educate, ~~Inc.~~LLC
Sylvan Learning of Goodyear	13770 West Van Buren Street, Ste 100	Goodyear, Arizona 85338	(623) 932-5714	Success Makers, Inc.
Sylvan Learning of Tucson	9110 N Silverbell Road, Suite 170	Marana, Arizona 85743	(520) 344-9328	AJ Squared, LLC
Sylvan Learning of Phoenix	16838 N. 7th Street Suite 6	Phoenix, Arizona 85022	(602) 548-2600	Arizona Educators, Inc.
Sylvan Learning of Scottsdale	6969 East Shea Blvd. Suite 185	Scottsdale, Arizona 85254	(602) 953-3070	SLC Educators AZ, Inc.
~~Sylvan Learning of Tucson - Central~~	~~4500 E Speedway Blvd, Suite 15~~	~~Tucson, Arizona 85712~~	~~(520) 333-5445~~	~~Saguaro Learning, LLC~~
Sylvan Learning of Fort Smith	2409 South 56th Street Suite 117	Fort Smith, Arkansas 72903	(479) 484-6799	Midwest Education Consultants, Inc.
Sylvan Learning of Rogers	4408 West Walnut Suite 3	Rogers, Arkansas 72756	(479) 903-7210	Wright Education Consultants, Inc.
Sylvan Learning of Bakersfield	2720 Calloway Drive Suite A	Bakersfield, California 93312	(661) 387-6060	Aspire Higher Educational Services
Sylvan Learning of Burbank	601 Glenoaks Blvd, Suite 306	Burbank, California 91502	(818) 697-0114	The Southern California Learning Corporation
Sylvan Learning of Castro Valley	3200 Castro Valley Blvd	Castro Valley, California 94546	(510) 856-9000	Bay Area Education Support Systems Inc.

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of Chino/Ontario	12887 Mountain Ave.	Chino, California 91710	(909) 548-3569	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Claremont	971 W Foothill Boulevard	Claremont, California 91711	(909) 621-2483	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Corona/Norco	1180 El Camino Ave, #100	Corona, California 92879	(951) 272-0727	JKG Learning LLC
Sylvan Learning of Culver City	5731 W Slauson Ave. Ste 150	Culver City, California 90230	(310) 256-3830	Soaring High LLC
Sylvan Learning of Diamond Bar	1241 Grand Ave, Ste F	Diamond Bar, California 91765	(909) 861-1146	D.D. & S. Learning Systems, Inc.
Sylvan Learning of ~~Downey~~Eagle Rock	~~8832 Imperial Hwy~~5015 Eagle Rock Blvd, Ste 306	~~Downey~~Eagle Rock, California ~~90242~~90041	(~~562~~323) ~~622-9210~~682-8790	~~Student Advance Tutoring & Testing LLC~~The Southern California Learning Corporation
Sylvan Learning of El Cerrito	10810 San Pablo Avenue	El Cerrito, California 94530	(510) 559-1400	Bay Area Education Support Systems Inc.
Sylvan Learning of El Segundo	720-C S Allied Way	El Segundo, California 90245	(310) 730-8083	Beach Cities Learning
Sylvan Learning of Encinitas	160 N. El Camino Real	Encinitas, California 92024	(760) 942-5454	PQ Academia Corporation
Sylvan Learning of Fairfield	5089 Business Center Dr, Ste 102	Fairfield, California 94534	(707) 864-1800	Learning Legacy LLC
Sylvan Learning of Fontana	7273 Citrus Ave. #300	Fontana, California 92336	(909) 941-6863	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Fremont	3100 Mowry Ave # Unit 101	Fremont, California 94538	(510) 745-7800	S5 Global, Inc.
Sylvan Learning of Gardena	2021 W. Redondo Beach Blvd, Suite B	Gardena, California 90247	(310) 329-1866	The Southern California Learning Corporation
Sylvan Learning of Glendale	741 Glenvia Street, Suite 201	Glendale, California 91206	(626) 423-6323	The Southern California Learning Corporation
Sylvan Learning of Glendora	1315 S. Grand Ave #130	Glendora, California 91740	(626) 914-7700	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Granite Bay	8659 Auburn Folsom Rd	Granite Bay, California 95746	(916) 234-3314	Inspired Learning LLC
Sylvan Learning of Hemet	271 North Sanderson Avenue	Hemet, California 92545	(951) 765-1171	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Hermosa Beach	1137 Aviation Blvd.	Hermosa Beach, California 90254	(310) 341-3137	Beach Cities Learning
Sylvan Learning of Huntington Beach	16052 Beach Boulevard Suite 105	Huntington Beach, California 92647	(714) 848-6072	South Bay Learning Centers LLC
Sylvan Learning of Irvine	4330 Barranca Parkway, Stonecreek Plaza, Suite 205	Irvine, California 92604	(949) 552-3025	LUD, Inc.
Sylvan Learning of La Mesa	8366 Parkway Drive	La Mesa, California 91942	(619) 668-0145	Hilbert LLC
~~Sylvan Learning of~~	~~42311 10th Street~~	~~Lancaster, California~~	~~(661) 723-6400~~	~~DKM Learning LLC~~

Franchise Name	Address	City, State Zip	Center Phone	Owner
~~Lancaster and Palmdale~~	~~West~~	~~93534~~		
Sylvan Learning of Long Beach	5510 Britton Drive	Long Beach, California 90815	(562) 429-8320	Temple Corp
Sylvan Learning of Brentwood	11740 San Vicente Blvd. Suite 106	Los Angeles, California 90049	(424) 256-2640	Coker Family Education Solutions Inc.
Sylvan Learning of Los Angeles	8471 Beverly Boulevard, Suite 201	Los Angeles, California 90048	(310) 843-0111	Soaring High LLC
Sylvan Learning of Manteca & Ripon	1162 South Main St	Manteca, California 95337	(209) 823-9252	Illuminate Edge, Inc.
Sylvan Learning of Mission Viejo	27762 Vista Del Lago Suite A-10	Mission Viejo, California 92691	(949) 462-7160	JKG Learning LLC
Sylvan Learning of Modesto	1532 Standiford Ave, Suite B	Modesto, California 95350	(209) 491-5406	D and D Learning Solutions LLC
Sylvan Learning of Los Altos & Mountain View	2025 West El Camino Real	Mountain View, California 94040	(650) 938-0484	TrueVision Academy, Inc.
~~Sylvan Learning of Temecula~~	~~Relocating, offering online programs in the interim~~	~~Murrieta, California~~	~~(951) 506-0300~~	~~JKG Learning LLC~~
Sylvan Learning of Napa Valley	2493 Solano Avenue	Napa, California 94558	(707) 258-9000	Educational Encounters LLC
Sylvan Learning of Northridge	8984 Tampa Avenue	Northridge, California 91324	(818) 885-0283	The Southern California Learning Corporation
Sylvan Learning of Orange	1132 E Katella Ave A16	Orange, California 92867	(657) 223-9922	SANPACT, LLC
Sylvan Learning of Pasadena	527 S Lake Avenue, Suite 160	Pasadena, California 91101	(626) 689-4214	The Southern California Learning Corporation
Sylvan Learning of Piedmont	1345 Grand Ave.	Piedmont, California 94610	(510) 428-4000	Bay Area Education Support Systems Inc.
Sylvan Learning of Etiwanda	11398 Kenyon Way Ste A	Rancho Cucamonga, California 91701	(909) 941-6863	D.D. & S. Learning Systems, Inc.
Sylvan Learning of ~~Rancho Cucamonga~~Alta Loma	7365 Carnelian Street #133	Rancho Cucamonga, California 91730	(909) 944-9763	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Redlands	101 E Redlands Blvd #140	Redlands, California 92373	(909) 792-9669	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Riverside	7000 Indiana Ave #122	Riverside, California 92506	(951) 353-8600	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Salinas/Monterey	1465 North Davis Road	Salinas, California 93907	(831) 449-7551	Kiwi Scholar, Inc.
~~Sylvan Learning of Del Mar~~	~~4653 Carmel Mountain Rd, Suite 304~~	~~San Diego, California 92130~~	~~(858) 413-9090~~	~~Denham Enterprises, LLC~~
~~Sylvan Learning of Scripps Ranch~~	~~9829 Mira Mesa Blvd.~~	~~San Diego, California 92131~~	~~(858) 413-9090~~	~~Denham Enterprises, LLC~~
Sylvan Learning of	379 West Portal	San Francisco,	(415) 681-7323	HL Learning Solutions

Franchise Name	Address	City, State Zip	Center Phone	Owner
San Francisco	Avenue	California 94127		LLC
Sylvan Learning of San Jose - Camden	5415 Camden Avenue	San Jose, California 95124	(408) 448-8100	GKS Education LLC
Sylvan Learning of San Jose - Westgate	Westgate Mall 4701 Hamilton Ave	San Jose, California 95130	(408) 257-2740	GKS Education LLC
Sylvan Learning of San Luis Obispo	11982 Los Osos Valley Rd. Suite C	San Luis Obispo, California 93405	(805) ~~540-9986~~782-1012	~~Central Coast Scholars,~~ZStar Enterprises LLC
Sylvan Learning of San Marino	2970 Huntington Drive	San Marino, California 91108	(626) 544-5109	The Southern California Learning Corporation
Sylvan Learning of Santa Monica	~~1910 Lincoln~~715 Pico Blvd.	Santa Monica, California 90405	(424) 395-9555	EMM Investments Inc.
Sylvan Learning of Santa Rosa	1421 Guerneville Rd., Ste. 112	Santa Rosa, California 95403	(707) 528-6000	PGLR, Inc.
Sylvan Learning of Sherman Oaks & Studio City	13553 Ventura Boulevard	Sherman Oaks, California 91423	(818) 906-1505	Dream Island Learning, LLC
Sylvan Learning of Simi Valley	1252 Madera Rd, Suite A1	Simi Valley, California 93065	(805) 413-4453	Pivotal Learning Centers, Inc.
Sylvan Learning of Tarzana	18840 Ventura Blvd, Suite 219	Tarzana, California 91356	(818) 742-9000	The Southern California Learning Corporation
Sylvan Learning of Temecula	29955 Technology Dr. Ste 110	Temecula, California 92563	(951) 742-8111	JKG Learning LLC
Sylvan Learning of Torrance	23326 Hawthorne Blvd. Suite 170	Torrance, California 90505	(310) 373-0073	The Southern California Learning Corporation
Sylvan Learning of Vacaville	2031 C. Harbison Drive	Vacaville, California 95687	(707) 448-7000	Next Steps Academy LLC
Sylvan Learning of Victorville	12441 Hesperia Rd Suite A1	Victorville, California 92395	(760) 245-8091	D.D. & S. Learning Systems, Inc.
Sylvan Learning of Visalia	3288-B South Mooney Blvd.	Visalia, California 93277	(559) 636-1502	DND Learning, Inc.
Sylvan Learning of Walnut Creek	2050 N. Broadway	Walnut Creek, California 94596	(925) 934-3000	Accelerated Learning Academy LLC
Sylvan Learning of West Covina	1730 W. Cameron Avenue, Suite 125	West Covina, California 91790	(626) 338-2800	33 Services & Consulting Inc.
Sylvan Learning of Westlake Village	600 Hampshire Road Suite 120	Westlake Village, California 91361	(805) 497-3216	The Southern California Learning Corporation
Sylvan Learning of Whittier	13563 Telegraph Rd Suite 110	Whittier, California 90605	(562) 320-5885	The Southern California Learning Corporation
Sylvan Learning of Yorba Linda	19613 Yorba Linda Blvd.	Yorba Linda, California 92886	(714) 340-0218	SANPACT, LLC
Sylvan Learning of Littleton	10143 West Chatfield Ave, Unit 13	Littleton, Colorado 80127	(303) 948-1870	mspedu, llc
Sylvan Learning of Highlands Ranch &	9552 Park Meadows Drive, Suite 300	Lone Tree, Colorado 80124	(303) 220-8607	~~AJEXA Corporation~~Peoples

Franchise Name	Address	City, State Zip	Center Phone	Owner
Lone Tree				EDU LLC
Sylvan Learning of Broomfield	12001-122 Tejon St	Westminster, Colorado 80234	(303) 920-7424	AJEXA Corporation
Sylvan Learning of Brookfield	243 Federal Road	Brookfield, Connecticut 06804	(203) 775-9611	~~AMG Ventures,~~TUTR LLC
Sylvan Learning of Newington	95 Fenn Road	Newington, Connecticut 06111	(860) 231-2429	Bartoli Educational Solutions, LLC
Sylvan Learning of Southbury	220 Main ~~Street South, Suite~~St S, Ste 201	Southbury, Connecticut 06488	(203) 262-6464	Bartoli Educational Solutions, LLC
Sylvan Learning of Middletown	260 Dove Run Center ~~Drive~~Dr	Middletown, Delaware 19709	(302) 722-8455	Enwisen Consulting Services, LLC
Sylvan Learning of Newark	258 Chapman ~~Road~~Rd, ~~Suite~~Ste 101	Newark, Delaware 19702	(302) 722-6445	Enwisen Consulting Services, LLC
Sylvan Learning of Lewes	~~19409 Plantations Road, Suite 2~~35252 Hudson Way	Rehoboth Beach, Delaware 19971	(302) 841-9637	Blanshine Party of 5 L.L.C.
Sylvan Learning of ~~North Wilmington~~Apopka	~~2106 Silverside Road~~1017 W Orange Blossom Trl, Unit 208	~~Wilmington, Delaware 19810~~Apopka, FL 32712	(~~302~~321) ~~384-7724~~244-7338	~~Achievement Awaits~~LearnBerry, LLC
~~Sylvan Learning of Boca Raton~~	~~7154 Beracasa Way~~	~~Boca Raton, Florida 33433~~	~~(561) 391-0707~~	~~ENLIGHTEN EDUCATION SOLUTIONS, LLC.~~
Sylvan Learning of Cape Coral	2708 Santa Barbara Blvd~~.~~, Unit 105	Cape Coral, Florida 33914	(239) 800-5003	Hiduke Learning Centers, Inc.
Sylvan Learning of Clermont	1200 Oakley Seaver Dr~~,~~ Ste. 201	Clermont, Florida 34711	(352) 241-4141	KAK Management, LLC
Sylvan Learning of Coral Springs	Coral Palm Plaza 2141 N. University ~~Drive~~Dr	Coral Springs, Florida 33071	(954) 575-7410	ENLIGHTEN EDUCATION SOLUTIONS, LLC.
~~Sylvan Learning of Palm Harbor~~	~~2323 Curlew Road Suite 6C~~	~~Dunedin, Florida 34698~~	~~(727) 787-7323~~	~~EduStation LLC~~
Sylvan Learning of Estero Bonita	10011 Estero Town Commons Pl, Unit 107	Estero, Florida 33928	(239) 319-5573	Hiduke Learning Centers, Inc.
Sylvan Learning of Fort Myers	13720 Ben C Pratt Six Mile Cypress Pkwy, Suite 302	Fort Myers, Florida 33912	(239) 275-1130	Hiduke Learning Centers, Inc.
Sylvan Learning of the Emerald Coast	~~Relocating, offering online programs in the interim~~105 Lewis St	Ft. Walton Beach, Florida 32547	(850) 613-2424	Remarkably You in Education, LLC
Sylvan Learning of Gainesville	4961 NW 8th Ave ~~Suite~~ Ste A	Gainesville, Florida 32605	(352) 371-6891	GT Learning Group, LLC
Sylvan Learning of Apollo Beach	7130 Big Bend Road, Suite 110	Gibsonton, Florida 33534	(813) 535-6426	SUNSHINE EDUCATION SOLUTIONS LLC
~~Sylvan Learning of Lake Worth & Wellington~~	~~6153 Lake Worth Rd~~	~~Greenacres, Florida 33463~~	~~(561) 432-0445~~	~~Learn Time LLC~~
Sylvan Learning of North Jacksonville	2255 Dunn Ave, Ste 501	Jacksonville, Florida 32218	(904) 757-2220	Quizhark LLC
Sylvan Learning of	2701 Michigan	Kissimmee, Florida	(407) 944-9661	KAK Management,

Franchise Name	Address	City, State Zip	Center Phone	Owner
Kissimmee	Avenue, Suite D	34744		LLC
Sylvan Learning of Lake Mary	136 N. Fourth Street, Suite 1270	Lake Mary, Florida 32746	(407) 688-2017	~~Galaxy Star Tutoring LLC~~Wisdom and Wonder Endeavors, Inc.
Sylvan Learning of South Lakeland	3730 Cleveland Heights Blvd. Ste 3	Lakeland, Florida 33813	(863) 647-1922	Achieve Learning Goals LLC
Sylvan Learning of Lakewood Ranch	11509 Palmbrush Trail, Suite 106	Lakewood Ranch, Florida 34202	(941) 920-0950	CLM Education, LLC
Sylvan Learning of Lake Worth & Wellington	6153 Lake Worth Rd	Lake Worth, Florida 33463	(561) 432-0444	Learn Time LLC
Sylvan Learning of Melbourne	3712 N. Wickham Road, Suite A	Melbourne, Florida 32934	(321) 253-3463	Leitch Learning II, LLC
Sylvan Learning of Kendall	12588A SW 88th St	Miami, Florida 33186	(305) 273-9366	ENLIGHTEN EDUCATION SOLUTIONS, LLC.
Sylvan Learning of Aventura	3097 NE 163rd Street	North Miami Beach, Florida 33160	(305) 936-0370	ENLIGHTEN EDUCATION SOLUTIONS, LLC.
Sylvan Learning of Ocala	3231 SE Maricamp Road	Ocala, Florida 34471	(352) 622-6284	GT Learning Group, LLC
Sylvan Learning of Ocoee	8945 West Colonial Drive	Ocoee, Florida 34761	(407) 984-4269	KAK Management, LLC
Sylvan Learning of Orange Park	1414 Kingsley Ave, Ste 4	Orange Park, Florida 32073	(904) 269-2000	Quizhark LLC
Sylvan Learning of Dr Phillips	7606 West Sand Lake Road	Orlando, Florida 32819	(407) 250-4030	KAK Management, LLC
Sylvan Learning of Oviedo	405 Alexandria Blvd, Suite 100	Oviedo, Florida 32765	(407) 986-3175	Cultivating Shalom, LLC
Sylvan Learning of Pembroke Pines	12592 Pine Blvd Ste ~~Suite~~ 101	Pembroke Pines, Florida 33027	(954) 517-1802	ENLIGHTEN EDUCATION SOLUTIONS, LLC.
Sylvan Learning of Pensacola	2401 Executive Plaza #8	Pensacola, Florida 32504	(850) 474-9022	Remarkably You in Education, LLC
Sylvan Learning of St. Johns (East)	13000 Sawgrass Village Circle Suite 15	Ponte Vedra Beach, FL 32082	(347) 251-4962	Study Solutions PVB LLC
Sylvan Learning of Port ~~Charlotte~~St. Lucie	~~22655 Bayshore Rd, Ste 150~~10636 SW Village Pkwy	Port ~~Charlotte, Florida 33980~~St. Lucie, FL 34987	(~~941~~864) ~~249-4983~~214-3649	~~Eminent~~Soaring to Success Learning LLC
Sylvan Learning of Riverview	13444 Boyette Rd	Riverview, Florida 33569	(813) 438-4346	SUNSHINE EDUCATION SOLUTIONS LLC
~~Sylvan Learning of Lake Nona~~	~~1364 S Narcoossee Road~~	~~Saint Cloud, Florida 34771~~	~~(407) 498-4009~~	~~Stine Global LLC~~
Sylvan Learning of Sarasota	5549 Palmer Crossing Circle, Unit 7	Sarasota, Florida 34233	(941) 260-5840	CLM Education, LLC
Sylvan Learning of St. Johns (Central)	585 International Golf Pkwy, Suite 507	St. Augustine, FL 32095	(347) 251-4962	Study Solutions PVB LLC
Sylvan Learning of St.	3275 66th Street N.	St. Petersburg, Florida	(727) 347-6284	EduStation LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
Petersburg	Ste # 5	33710		
Sylvan Learning of Tallahassee	2811 Capital Circle, NE Suite 3	Tallahassee, Florida 32308	(850) 385-8696	Florida Learning Centers, Inc.
Sylvan Learning of Tampa ~~-~~and Carrollwood	3802 Ehrlich ~~Road Suite~~Rd Ste 204	Tampa, Florida 33624	(813) 968-4497	Intellex Enterprises, Inc.
Sylvan Learning of Mt Dora/Tavares	1924 Salk Ave, Suite 1	Tavares, Florida 32778	(321) 233-6476	LearnBerry, LLC
Sylvan Learning of Canton Georgia	149 Reinhardt College Pkwy, Suite 7	Canton, Georgia 30114	(470) 761-9128	Prestige Academics LLC
Sylvan Learning of Cartersville	927 Joe Frank Harris Parkway	Cartersville, Georgia 30120	(678) 721-6661	Learned Success, Inc.
Sylvan Learning of Columbus & Fort Benning	5256 Armour Rd.	Columbus, Georgia 31904	(706) 563-9864	KVDM, Inc.
Sylvan Learning of Augusta	4115 Columbia Rd, Suite 7	Martinez, Georgia 30907	(706) 496-1240	~~Ga Learning Ventures, Inc~~Lynn's Education Services, LLC
Sylvan Learning of Rome	~~201 Turner McCall Blvd.~~901 N. Broad St. NE	Rome, Georgia ~~30165~~30161	(706) 295-3484	Learned Success, Inc.
Sylvan Learning of Savannah	340 Eisenhower Dr~~.~~ Building 100	Savannah, Georgia 31406	(912) 355-2267	Empire Coaching LLC
~~Sylvan Learning of Valdosta~~	~~1709 River Street~~	~~Valdosta, Georgia 31601~~	~~(229) 245-0381~~	~~Florida Learning Centers, Inc.~~
Sylvan Learning of Kahala - Honolulu	4211 Waialae ~~Avenue~~Ave Kahala Mall~~, Suite 30~~	Honolulu, Hawaii 96816	(808) 735-8811	Kahala Academic Center, Inc.
Sylvan Learning of Mililani	95-1249 Meheula Pkwy, Ste. 198	Mililani, Hawaii 96789	(808) 623-0808	Inspired Education, LLC
Sylvan Learning of Boise	30 S. Cole Road	Boise, Idaho 83709	(208) 918-8150	Daksh Academy LLC
Sylvan Learning of Meridian	2845 E Overland Rd, Suite 170	Meridian, Idaho 83642	(208) 912-0010	Daksh Gurukul LLC
~~Sylvan Learning of Chicago~~	~~1609 S. Halsted Street~~	~~Chicago, Illinois 60608~~	~~(312) 226-3306~~	~~K12 Inc.~~
~~Sylvan Learning of Forest Park/Oak Park~~	~~7217 W. Madison Street~~	~~Forest Park, Illinois 60130~~	~~(708) 488-0161~~	~~Tree of Knowledge, Inc.~~
Sylvan Learning of Edwardsville	6A Glen Ed Professional Park	Glen Carbon, Illinois 62034	(618) 656-0500	Grand Education, LLC
Sylvan Learning of Glenview	1107 Waukegan Road	Glenview, Illinois 60025	(312) 208-3184	Bauer James Inc.
Sylvan Learning of Lake Zurich	745 W State Rte 22	Lake Zurich, Illinois 60047	(847) 382-7755	~~Ellkendan Education~~Northshore Tutors Zurich, LLC
Sylvan Learning of ~~Skokie~~Lincolnwood	6929 N Lincoln Ave	Lincolnwood, Illinois 60712	(847) 329-5267	Bauer James Inc.
~~Sylvan Learning of Naperville~~	~~1292 Rickert Drive Suite 148~~	~~Naperville, Illinois 60540~~	~~(630) 778-7200~~	~~Assured Educational Services, Inc.~~
Sylvan Learning of	211 Landmark,	Normal, Illinois 61761	(309) 662-8537	F&O Ventures Co.

Franchise Name	Address	City, State Zip	Center Phone	Owner
Bloomington / Normal	Building D Ste 5, 6, 7			
Sylvan Learning of Forest Park/Oak Park	840 S Oak Park Avenue #102	Oak Park, Illinois 60304	(708) 488-0161	SBJ Educational Services, LLC
Sylvan Learning of Oak Lawn-Evergreen Park	10338 South Cicero Avenue	Oaklawn, Illinois 60453	(708) 425-3114	Bauer James Inc.
Sylvan Learning of O'Fallon	124 Springfield ~~Court Suite~~Ct Ste 200	O'Fallon, Illinois 62269	(618) 628-0018	J&N Education Services, LLC
~~Sylvan Learning of Peoria~~	~~7501 N. University Suite 218~~	~~Peoria, Illinois 61614~~	~~(309) 683-3601~~	~~F&O Ventures Co.~~
~~Sylvan Learning of Plainfield~~	~~24012 W. Main Street, Suite 104~~	~~Plainfield, Illinois 60544~~	~~(815) 609-7111~~	~~Learning Solutions, Inc.~~
Sylvan Learning of Schaumburg	25 N. Roselle Rd.	Schaumburg, Illinois 60194	(847) 301-2700	~~Ellkendan Education~~Northshore Tutors Schaumburg, LLC
Sylvan Learning of Springfield	2735 South 6th Street	Springfield, Illinois 62703	(217) 546-0009	F&O Ventures Co.
Sylvan Learning of Orland/Tinley Park	9501 W 171st ~~Street Suite~~St Ste E	Tinley Park, Illinois 60487	(708) 429-1072	JAKD, LLC
Sylvan Learning of Bloomington Center	2088 Liberty ~~Drive~~Dr Ste 109 Liberty Crossing Shoppes~~, Suite 109~~	Bloomington, Indiana 47403	(812) 330-0900	ExNil, LLP
Sylvan Learning of Carmel	1400 S Guilford ~~Road Suite~~Rd Ste 100	Carmel, Indiana 46032	(317) 257-6703	KIK Management, LLC
Sylvan Learning of Columbus Center	3126 North National Road	Columbus, Indiana 47201	(812) 372-2104	ExNil, LLP
Sylvan Learning of Elkhart	1001 Parkway Avenue, Suite 4	Elkhart, Indiana 46516	(574) 264-2223	KLC Management, Inc.
Sylvan Learning of Evansville	923 South Kenmore Dr Hebron Office Plaza	Evansville, Indiana 47714	(812) 479-1150	Janet Crocker
Sylvan Learning of Fishers	11740 Brooks School Rd, Suite A	Fishers, Indiana 46038	(317) 913-0963	~~DCSK~~KSS Management, LLC
Sylvan Learning of Fort Wayne	6227 Covington Road	Fort Wayne, Indiana 46804	(260) 436-2710	KCK, LLC
Sylvan Learning of North Fort Wayne	10016 Auburn Park Dr	Fort Wayne, Indiana 46825	(260) 485-1330	KCK, LLC
Sylvan Learning of Franklin Center	735 Commerce Drive	Franklin, Indiana 46131	(317) 346-6604	ExNil, LLP
Sylvan Learning of South Indianapolis	862 South State Road 135, Suite A	Greenwood, Indiana 46143	(317) 888-0438	KIK Management, LLC
Sylvan Learning of Lafayette	4050 Britt Farm ~~Drive Suite~~Dr Ste A	Lafayette, Indiana 47905	(765) 447-5996	Educare, Inc.
Sylvan Learning of Merrillville	1070 W. 84th Drive	Merrillville, Indiana 46410	(219) 736-1113	KSK Management LLC
Sylvan Learning of Mishawaka	3005 Grape ~~Road Suite~~Rd Ste A	Mishawaka, Indiana 46545	(574) 254-1055	KLC Management, Inc.

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of West Indianapolis	302 North Dan Jones Road, Suite 115	Plainfield, Indiana 46168	(317) 247-7664	KIK Management, LLC
Sylvan Learning of Portage	1605 Adler Suite G	Portage, IN 46368	(219) 419-9450	KCK, LLC
Sylvan Learning of Schererville	958 W. US Highway 30	Schererville, Indiana 46375	(219) 322-5535	KSK Management LLC
Sylvan Learning of Valparaiso	2500 Calumet Avenue	Valparaiso, Indiana 46383	(219) 707-5074	KSK Management LLC
Sylvan Learning of Altoona	301 Center Place, Suite C-1	Altoona, Iowa 50009	(515) 304-5280	Jones Educational Services LLC
Sylvan Learning of Ames	4820 Mortensen Road, Suite 101	Ames, Iowa 50014	(515) 956-3366	FCH, L.L.C.
Sylvan Learning of Ankeny	1690 SE Delaware Ave Suite 101	Ankeny, Iowa 50021	(515) 446-7066	FCH L.L.C.
Sylvan Learning of Coralville	1100 5th Street, Suite 105	Coralville, Iowa 52241	(319) 351-9343	FCH, L.L.C.
Sylvan Learning of ~~Hiawatha~~Cedar Rapids	1854 Boyson Road	Hiawatha, Iowa 52233	(319) 393-0000	~~FCH, L.L.C.~~Kenneth and Company, LLC
Sylvan Learning of Johnston & Des Moines	8707 N Park Court	Johnston, Iowa 50131	(515) 867-8000	FCH, L.L.C.
Sylvan Learning of Overland Park	9165 W 133rd Street	Overland Park, Kansas 66213	(913) 681-1141	KMB Solutions KS, L.L.C.
Sylvan Learning of Lawrence	721 Wakarusa Drive, Suite 104	Lawrence, Kansas 66049	(785) 842-6284	KMB Solutions KS, L.L.C.
~~Sylvan Learning of Louisville~~	~~6413 Bardstown Road~~	~~Louisville, Kentucky 40291~~	~~(502) 231-1717~~	~~Coalescent Ventures, LLC~~
~~Sylvan Learning of Paducah~~	~~2856 Lone Oak Road~~	~~Paducah, Kentucky 42003~~	~~(270) 554-4111~~	~~Steve Bright~~
Sylvan Learning of Alexandria	1264 Canterbury Drive	Alexandria, Louisiana 71303	(318) 443-0949	Miles Maffett Recordings LLC
Sylvan Learning of Baton Rouge - Bluebonnet	7584 Bluebonnet Boulevard, Suite D	Baton Rouge, Louisiana 70810	(225) 291-7323	Cusanza Enterprises IV, LLC
Sylvan Learning of Gonzales	2113 South Burnside (Hwy. 44)	Gonzales, Louisiana 70737	(225) 644-7323	Cusanza Enterprises IV, LLC
Sylvan Learning of Harvey	1901 Manhattan Blvd, B-102	Harvey, Louisiana 70058	(504) 324-7717	Cusanza Enterprises V, LLC
Sylvan Learning of Houma	657 Corporate Drive, Suite A	Houma, Louisiana 70360	(985) 223-3798	Cusanza Enterprises V, LLC
Sylvan Learning of Lafayette	221 North College ~~Road~~Rd	Lafayette, Louisiana 70506	(337) 232-7323	Academic Technology Corp., LLC
Sylvan Learning of Metairie & New Orleans	4449 N Interstate 10 Service Rd. W.	Metairie, Louisiana 70006	(504) 885-5327	Cusanza Enterprises II, LLC
Sylvan Learning of New Iberia	1000 Parkview ~~Drive Suite~~Dr Ste 10	New Iberia, Louisiana 70560	(337) 369-1543	Academic Technology Corp., LLC
Sylvan Learning of Slidell	58465 Tyler ~~Street Suite~~St Ste 7	Slidell, Louisiana 70461	(985) 641-0343	Cusanza Enterprises, LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of Topsham	49 Topsham Fair Mall ~~Road~~Rd, ~~Suite~~Ste 19	Topsham, Maine 04086	(207) 406-2147	23rd State Learning, LLC
Sylvan Learning of Bel Air	1203 Baltimore Pike, Suite E	Bel Air, Maryland 21014	(410) 420-7340	KBK Management LLC
Sylvan Learning of Catonsville	405 Frederick Road, Suite 5	Catonsville, Maryland 21228	(443) 334-6156	KBK Management LLC
Sylvan Learning of Columbia	8801 Centre Park Dr #5	Columbia, Maryland 21045	(410) 740-8331	RSK Management LLC
Sylvan Learning of Crofton	2151 Defense ~~Highway~~Hwy Route 450, Suite 3	Crofton, Maryland 21114	(410) 656-8421	KBK Management LLC
Sylvan Learning of Garrett County	23789 Garrett ~~Highway~~Hwy, Suite 3	McHenry, Maryland 21541	(240) 442-5873	Lakeside Learning, LLC
Sylvan Learning of Timonium	1840 York Rd Unit D	Timonium, Maryland 21093	(410) 337-2545	KBK Management LLC
~~Sylvan Learning of Brookline~~	~~44 Washington Street, Suite 105A~~	~~Brookline, Massachusetts 02445~~	~~(617) 264-4150~~	~~Capstone Education Inc.~~
Sylvan Learning of Peabody/Danvers	85 Andover Street	Danvers, Massachusetts 01923	(978) 208-2010	Rosina Marie, Inc.
~~Sylvan Learning of Weymouth~~	~~646 Middle Street~~	~~Weymouth, Massachusetts 02189~~	~~(781) 247-5402~~	~~Capstone Education Inc.~~
Sylvan Learning of Woburn and Burlington	400 Tradecenter Dr, Suite 1910	Woburn, Massachusetts 01801	(781) 933-9480	Burlington Learning, Inc.
Sylvan Learning of Ann Arbor	1601 Briarwood Circle ~~Suite~~Ste 300	Ann Arbor, Michigan 48108	(734) 665-7323	COT, LLC
Sylvan Learning of Brighton	10407 East Grand River Suite 800	Brighton, Michigan 48116	(810) 227-1800	COT, LLC
Sylvan Learning of N. Canton	7752 Canton Center Road	Canton, Michigan 48187	(734) 451-3461	Guardian Angel Learning Centers, LLC
Sylvan Learning of Dearborn	2040 Monroe ~~Street Suite~~St Ste 202	Dearborn, Michigan 48124	(313) 724-1500	Guardian Angel Learning Centers, LLC
Sylvan Learning of Grand Blanc	8185 Holly Road, Suite 3	Grand Blanc, Michigan 48439	(810) 233-4600	COT, LLC
Sylvan Learning of Grand Rapids	3910 Burton Street S.E. Suite 102	Grand Rapids, Michigan 49546	(616) 957-4617	COT, LLC
Sylvan Learning of Grandville	4330 44th ~~Street Suite~~St Ste 101	Grandville, Michigan 49418	(616) 530-8488	COT, LLC
Sylvan Learning of Midland	108 A West Wackerly	Midland, Michigan 48640	(989) 633-9515	Edvantage Tutoring, Inc.
Sylvan Learning of Lansing/East Lansing	2500 Kerry ~~Street Suite~~St Ste 100	Lansing, Michigan 48912	(517) 372-7410	COT, LLC
Sylvan Learning of Livonia	37727 Professional Center Dr, Ste 130	Livonia, Michigan 48154	(734) 462-1132	Guardian Angel Learning Centers, LLC
Sylvan Learning of Muskegon	5890 S. Harvey	Muskegon, Michigan 49441	(231) 799-0613	COT, LLC
Sylvan Learning of Novi	22034 Novi Road Oakpoint Plaza	Novi, Michigan 48375	(248) 344-1474	COT, LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of Portage	1350 West Centre ~~Avenue Suite~~ Ave Ste 120	Portage, Michigan 49024	(269) 327-5237	COT, LLC
Sylvan Learning of Rockford	6840 Northway Dr. NE	Rockford, Michigan 49341	(616) 863-8835	COT, LLC
Sylvan Learning of Saginaw	3913 Bay Road	Saginaw, Michigan 48603	(989) 791-0088	Edvantage Tutoring, Inc.
Sylvan Learning of Sterling Heights	11080 Hall ~~Road Suite~~Rd Ste B	Sterling Heights, Michigan 48314	(586) 739-0270	K. J. & J. Ltd.
Sylvan Learning of Troy	3290 West Big Beaver ~~Suite~~Ste 160	Troy, Michigan 48084	(248) 822-7188	K. J. & J. Ltd.
~~Sylvan Learning of West Bloomfield~~	~~5829 West Maple, Suite 127~~	~~West Bloomfield, Michigan 48322~~	~~(248) 737-2880~~	~~Guardian Angel Learning Centers, LLC~~
Sylvan Learning of Albertville	5585 La Centre Avenue, Suite 200	Albertville, Minnesota 55301	(763) 276-1006	M4 Learning, LLC
~~Sylvan Learning of Burnsville~~	~~170 Cobblestone Lane~~	~~Burnsville, Minnesota 55337~~	~~(952) 435-6603~~	~~Ecole Academics LLC~~
Sylvan Learning of Chaska	172 Pioneer Trail	Chaska, Minnesota 55318	(952) 466-3838	Briannca, Inc.
~~Sylvan Learning of Eden Prairie~~	~~Relocating, offering online programs in the interim~~	~~Eden Prairie, Minnesota~~	~~(651) 374-4383~~	~~Ecole Academics LLC~~
~~Sylvan Learning of Minneapolis-Edina~~	~~6550 York Ave S, Suite 119~~	~~Edina, Minnesota 55435~~	~~(651) 374-4396~~	~~Ecole Academics LLC~~
~~Sylvan Learning of Maple Grove~~	~~7928 Main Street North~~	~~Maple Grove, Minnesota 55369~~	~~(763) 494-9676~~	~~Ecole Academics LLC~~
~~Sylvan Learning of Coon Rapids~~	~~3495 Northdale Blvd NW, Suite 160~~	~~Minneapolis, Minnesota 55448~~	~~(763) 712-1118~~	~~Ecole Academics LLC~~
Sylvan Learning of Minnetonka	10580 Wayzata Blvd, Suite 250	Minnetonka, Minnesota 55305	(952) 544-6253	Briannca, Inc.
Sylvan Learning of Rochester	154 17th Ave. NW	Rochester, Minnesota 55901	(507) 258-6036	~~Bliss Education Resources, LLC~~Advantage Learning Inc.
Sylvan Learning of Rogers	21395 John Milless Dr, Suite 500	Rogers, Minnesota 55374	(763) 710-5524	~~Lana Education L. L. C.~~M4 Learning, LLC
Sylvan Learning of Rosemount-Eagan	15035 Crestone Avenue W	Rosemount, Minnesota 55068	(952) 236-9090	AB Learning, Inc.
~~Sylvan Learning of Roseville~~	~~1913 MN-36~~	~~Roseville, Minnesota 55113~~	~~(651) 639-1350~~	~~Ecole Academics LLC~~
~~Sylvan Learning of Saint Paul~~	~~614 Snelling Avenue South~~	~~Saint Paul, Minnesota 55116~~	~~(651) 583-5500~~	~~Ecole Academics LLC~~
~~Sylvan Learning of Woodbury~~	~~9900 Valley Creek Road, Suite 150~~	~~Woodbury, Minnesota 55125~~	~~(651) 702-6690~~	~~Ecole Academics LLC~~
Sylvan Learning of Gulfport	28 Pass Road	Gulfport, Mississippi 39507	(228) 207-0331	Euell Ventures LLC
Sylvan Learning of Hattiesburg	6059 US Hwy 98, Ste 10	Hattiesburg, Mississippi 39402	(601) ~~402-7869~~402-7860	The Kemebray Group, LLC
Sylvan Learning of	4915 I-55 North, Suite	Jackson, Mississippi	(601) 366-6400	Euell Ventures LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
Jackson	106A, P.O. Box 13275	39206		
Sylvan Learning of Southaven	775 East Goodman Rd, Ste 3	Southaven, Mississippi 38671	(662) 548-3225	Euell Ventures LLC
Sylvan Learning of Ballwin	14248 G Manchester Rd.	Ballwin, Missouri 63011	(636) 394-3104	~~Guide & Grow~~INFINITE GROWTH VENTURES LLC
Sylvan Learning of Columbia	3301 Broadway Business Park, Suite B	Columbia, Missouri 65203	(573) 446-0310	KMB Solutions LLC
Sylvan Learning of Kansas City North	8409 N. Main ~~(Barry Rd & N. Main)~~ St	Kansas City, ~~Missouri~~MO 64155	(816) 468-7900	Educating Tomorrow's Future, LLC
~~Sylvan Learning of Lake St. Louis~~	~~141 Civic Center Drive~~	~~Lake St. Louis, Missouri 63367~~	~~(636) 265-2580~~	~~Guide & Grow LLC~~
Sylvan Learning of Lee's Summit	1184 Douglas Street	Lee`s Summit, Missouri 64086	(816) 525-4500	~~SLC of Lee's Summit, Inc.~~KMB Solutions LLC
Sylvan Learning of Springfield	1830 E Independence St.	Springfield, Missouri 65804	(417) 268-9392	Educating Tomorrow's Future, LLC
Sylvan Learning of Olivette	9338 Olive Boulevard, Suite 110	St. Louis, Missouri 63132	(314) 997-3035	The Walls Speak LLC
~~Sylvan Learning of St. Peters~~	~~4504 Mid Rivers Mall Dr.~~	~~St. Peters, Missouri 63376~~	~~(636) 441-1212~~	~~Guide & Grow LLC~~
Sylvan Learning of Billings	2103 Central Ave.	Billings, Montana 59102	(406) 656-4646	Valor Learning, LLC
Sylvan Learning of Butte	1941 Harrison Ave~~.~~ ~~Suite~~ Ste D	Butte, Montana 59701	(406) 782-5700	Ronald & Charlene Kautzman, Kristel Callahan
Sylvan Learning of Helena	1075 N. Rodney ~~Suite~~ Ste 111	Helena, Montana 59601	(406) 443-9205	Ronald & Charlene Kautzman, Kristel Callahan
Sylvan Learning of Bellevue	3615 Summit Plaza Dr~~.~~ #103	Bellevue, Nebraska 68123	(402) 403-0255	Nebraska Teaching Center, Inc.
Sylvan Learning of Lincoln	3900 Yankee Hill Road~~,~~ # 113	Lincoln, Nebraska 68516	(402) 423-8833	Nebraska Teaching Center, Inc.
Sylvan Learning of Northwest Omaha	15475 Ruggles Street #113	Omaha, Nebraska 68116	(402) 268-0585	Nebraska Teaching Center, Inc.
Sylvan Learning of Omaha	16613 Polk Street	Omaha, Nebraska 68135	(402) 884-8731	Nebraska Teaching Center, Inc.
~~Sylvan Learning of Blue Diamond / Mountain's Edge~~	~~8180 Blue Diamond Road Ste. 140~~	~~Blue Diamond, Nevada 89178~~	~~(702) 410-5140~~	~~JTBIUS INVESTMENTS, NV LLC~~
Sylvan Learning of Las Vegas, West	9330 W Sahara Avenue Suite 130	Las Vegas, Nevada 89117	(702) 876-4090	Grant Learning LV, LLC
~~Sylvan Learning of Las Vegas, Southwest~~	~~6070 S. Rainbow Blvd, Ste 4~~	~~Las Vegas, Nevada 89118~~	~~(725) 205-3533~~	~~BergLynn LLC~~
Sylvan Learning of Bedford	72 South River ~~Road Suite~~Rd Ste 204	Bedford, New Hampshire 03110	(603) 622-7772	DJS Educational Consultants, Inc.
~~Sylvan Learning of Portsmouth~~	~~800 Islington Street, Unit 10-B~~	~~Portsmouth, New Hampshire 03801~~	~~(603) 819-4509~~	~~Capstone Education Inc.~~

Franchise Name	Address	City, State Zip	Center Phone	Owner
~~Sylvan Learning of Salem~~	~~240 North Broadway, Suite E~~	~~Salem, New Hampshire 03079~~	~~(603) 952-4014~~	~~Capstone Education Inc.~~
~~Sylvan Learning of Caldwell~~	~~380 Bloomfield Avenue~~	~~Caldwell, New Jersey 07006~~	~~(973) 228-8693~~	~~Lorocco & Levine LLC~~
Sylvan Learning of Cranford	123 North Union Ave.	Cranford, New Jersey 07016	(908) 709-0202	SDP Learning, Inc.
~~Sylvan Learning of East Brunswick~~	~~754 Route 18 Suite 103~~	~~East Brunswick, New Jersey 08816~~	~~(732) 390-4040~~	~~Nancy Velisek & Frank Velisek~~
Sylvan Learning of Edison	1110 Route 1 N	Edison, New Jersey 08817	(848) 229-2024	Elite Youth Educational Services LLC
Sylvan Learning of Fair Lawn	33-00 Broadway, Ste 201	Fair Lawn, New Jersey 07410	(201) 794-6798	Brain Shake, Inc.
Sylvan Learning of Hamilton Township	3635 Quakerbridge Rd University Office Plaza	Hamilton Township, New Jersey 08619-1247	(609) 588-9037	True Potential Group, LLC
Sylvan Learning of Jersey City	75 Montgomery St	Jersey City, NJ 07302	(646) 750-8217	NEXGEN LEARNING LLC
Sylvan Learning of Marlton	751 Route 73 North	Marlton, New Jersey 08053	(856) 596-8455	Balaji Laxmi Inc.
~~Sylvan Learning of Central Newark~~	~~740 South 18th St~~	~~Newark, New Jersey 07103~~	~~(973) 830-1007~~	~~Paramount Family Services Limited Liability Company~~
Sylvan Learning of Nutley	240 Franklin Avenue	Nutley, New Jersey 07110	(973) 667-4580	SDP Learning, Inc.
Sylvan Learning of Park Ridge & Montvale	184 Kinderkamack Rd~~,~~ Suite 1-C	Park Ridge, New Jersey 07656	(201) 746-6977	Sirius Innovations Inc.
Sylvan Learning of Sparta	14A Main ~~Street~~St	Sparta, New Jersey 07871	(973) 532-2969	Sylvan Sparta LLC
Sylvan Learning of Teaneck	1086 Teaneck ~~Road~~Rd	Teaneck, New Jersey 07666	(201) 837-0049	Thunderstruck, Inc.
Sylvan Learning of Woodbridge	1009 St. Georges ~~Avenue~~Ave #3	Woodbridge, New Jersey 07067	(908) 463-7207	Bright Future Global Consulting and Education Services L.L.C.
Sylvan Learning of Alamogordo	500 Tenth ~~Street, Suite 304~~St	~~Alamogordo~~Alamgordo, New Mexico 88310	(575) 491-0545	Global Tutoring Network LLC
Sylvan Learning of ~~East~~ Albuquerque	~~10555 Montgomery NE, Suite 70~~10200 Golf Course Rd NW Ste G	Albuquerque, ~~New Mexico 87111~~NM 87114	(505) ~~296-1155~~899-3061	Navlys LLC
Sylvan Learning of East Albuquerque	~~10200 Golf Course Road NW Suite G~~10555 Montgomery Blvd NE Ste 70	Albuquerque, ~~New Mexico 87114~~NM 87111	(505) ~~899-3061~~296-1155	Navlys LLC
Sylvan Learning of Las Cruces	3050 ~~North~~N. Roadrunner Pkwy , Suite C, Unit 2	Las Cruces, New Mexico 88011	(575) 532-9005	Rydholm, Inc.
Sylvan Learning of Albany	Washington Ave Extension Pine West	Albany, New York 12205	(518) 869-6005	Transforming Lives, Inc.

Franchise Name	Address	City, State Zip	Center Phone	Owner
	Plaza, Building 1A			
Sylvan Learning of Northeast Bronx	115 Dreiser Loop	Bronx, New York 10475	(347) 275-1825	Teach Don't Tell, LLC
Sylvan Learning of Bronxville/Yonkers	850 Bronx River ~~Road~~Rd ~~Suite~~Ste 104	Bronxville, New York 10708-7095	(914) 237-4396	Niche Learning LLC
Sylvan Learning of Clifton Park	10 Maxwell ~~Drive, Suite~~ Dr Ste 201	Clifton Park, New York 12065	(518) 373-7995	Transforming Lives, Inc.
Sylvan Learning of Lancaster	4845 Transit ~~Road~~Rd	Depew, New York 14043	(716) 671-2036	SAVI Learning Inc.
~~Sylvan Learning of Rego Park~~	~~83-02 Broadway~~	~~Elmhurst, New York 11373~~	~~(718) 997-8640~~	~~Good Apple Achievement LLC~~
Sylvan Learning of Glenville	113 Saratoga ~~Road,~~ ~~Suite~~Rd Ste 102	Glenville, New York 12302	(518) 708-7059	Skills for Success, LLC
Sylvan Learning of Mineola	393 Jericho Turnpike	Mineola, New York 11501	(516) 743-9943	PMFRUSSO Learning, Inc.
Sylvan Learning of Pleasantville	57 Wheeler ~~Avenue~~Ave	Pleasantville, New York 10570	(914) 579-2584	Ingenious Strategies Corporation
Sylvan Learning of Port Washington	31 S Bayles ~~Avenue~~Ave	Port Washington, New York 11050	(516) 303-9955	Excellence and Beyond, Inc.
Sylvan Learning of Rochester & Greece	1600 West Ridge ~~Road~~Rd	Rochester, New York 14615	(585) 663-6226	Personal Educational Trainers of Greece, Inc.
Sylvan Learning of Rochester & Pittsford	3300 Monroe ~~Avenue~~Ave	Rochester, New York 14618	(585) 385-9480	Personal Educational Trainers, Inc.
Sylvan Learning of Williamsville	8180 Main Street	Williamsville, New York 14221	(716) 580-3566	SAVI Learning Inc.
Sylvan Learning of Wilton	14 Mountain Ledge ~~Drive,~~Dr Suite 2	Wilton, New York 12831	(518) 886-1330	Skills for Success, LLC
Sylvan Learning of Albemarle	720-4 NC Highway 24-27 Bypass E	Albemarle, North Carolina 28001	(704) 982-2288	Bright Learning Center, LLC
Sylvan Learning of Arden	336 Rockwood Rd~~.,~~ ~~Suite~~ Ste 106	Arden, North Carolina 28704	(828) 237-3900	Gardner Learning Centers Inc.
Sylvan Learning of Asheville	1070 Tunnel Road #30	Asheville, North Carolina 28805	(828) 237-3900	Gardner Learning Centers Inc.
~~Sylvan Learning of Belmont~~	~~140B North Main St~~	~~Belmont, North Carolina 28012~~	~~(704) 829-3056~~	~~Carpenter Rhodes Ventures Inc~~
Sylvan Learning of Burlington	795 Boone Station Drive	Burlington, North Carolina 27215	(336) 570-4999	MereCo Holdings LLC
Sylvan Learning of Cary & Morrisville	1040 Darrington ~~Drive~~Dr ~~Suite~~Ste 101	Cary, North Carolina 27513	(919) 380-1201	David Rosenbaum
Sylvan Learning of Chapel HIll	50101 Governors Dr~~.~~ ~~Suite~~ Ste 130	Chapel Hill, North Carolina 27517	(919) 495-2335	Career Partners, Inc.
Sylvan Learning of Charlotte-University Area	8310 Medical Plaza Dr Mallard Creek Professional Park,	Charlotte, North Carolina 28262	(704) 548-3910	MereCo Holdings LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
	~~Suite~~Ste F			
Sylvan Learning of Charlotte - Matthews	9111 Monroe ~~Road Suite~~Rd Ste 160	Charlotte, North Carolina 28270	(704) 846-0660	Sarrison, Inc.
Sylvan Learning of Charlotte & Ballantyne	11220 Elm Lane, Suite 104	Charlotte, North Carolina 28277	(704) 542-7600	Sarrison, Inc.
~~Sylvan Learning of Clayton~~	~~11459 US Hwy 70 Business West Clayton Crossing Shopping Center~~	~~Clayton, North Carolina 27520~~	~~(919) 553-8009~~	~~J&M Learning Systems, Inc.~~
Sylvan Learning of Durham & Chapel Hill	5117 Highgate ~~Drive Suite~~Dr Ste 100	Durham, North Carolina 27713	(919) 937-9363	Saha, Inc.
Sylvan Learning of Elizabeth City	406 A-1 S Griffin St	Elizabeth City, North Carolina 27909	(252) 334-9700	Northeast Education Foundation, Inc.
Sylvan Learning of Fayetteville	2915 Raeford ~~Road Suite~~Rd Ste 103	Fayetteville, North Carolina 28303	(910) 339-2909	David Rosenbaum
Sylvan Learning of Garner	1411 Aversboro Road, Suite 315	Garner, North Carolina 27529	(919) 779-2229	RiverWise, LLC
Sylvan Learning of Greensboro	2921-A Battleground Ave.	Greensboro, North Carolina 27408	(336) 218-8115	Maj-One LLC
Sylvan Learning of Greenville	710 F Red Banks Road	Greenville, North Carolina 27858	(252) 756-9383	Desler Inc.
Sylvan Learning of High Point	3931 Tinsley Dr, Suite 102	High Point, North Carolina 27265	(336) 841-5522	David Rosenbaum
Sylvan Learning of Holly Springs	374 Raleigh Street	Holly Springs, North Carolina 27540	(919) 388-3283	David Rosenbaum
Sylvan Learning of Huntersville	15905 Brookway Dr., Suite 4104	Huntersville, North Carolina 28078	(704) 997-6515	Sarrison, Inc.
Sylvan Learning of Jacksonville	3000 Henderson Drive	Jacksonville, North Carolina 28546	(910) 455-3136	Successful Learning, Inc.
Sylvan Learning of Knightdale	1008 - E Big Oak ~~Court~~Ct	Knightdale, North Carolina 27545	(919) 217-0600	RiverWise, LLC
Sylvan Learning of Lexington	128 Forest Hill ~~Road~~Rd	Lexington, North Carolina 27295	(704) 680-6828	Spartan Akademia LLC
Sylvan Learning of Monroe	1951 Wellness Blvd, Unit 1951	Monroe, North Carolina 28110	(704) 565- 9438	Prompt and Quality Services LLC
Sylvan Learning of Mooresville & Lake Norman	491 Williamson ~~Road Suite~~Rd Ste 204	Mooresville, North Carolina 28117	(704) 660-3994	David Rosenbaum
Sylvan Learning of New Bern	416A Pollock St.	New Bern, North Carolina 28562	(252) 497-2083	Successful Learning, Inc.
Sylvan Learning of Raleigh	7209 Creedmoor ~~Road Suite~~Rd Ste 111	Raleigh, North Carolina 27613	(919) 846-9441	RiverWise, LLC
Sylvan Learning of Southern Pines	206 Commerce Ave	Southern Pines, North Carolina 28387	(910) 638-6787	Moore Minds, LLC
Sylvan Learning of Wake Forest	1241 S. Main ~~Street Suite~~St Ste 20	Wake Forest, North Carolina 27587	(919) 263-9184	RiverWise, LLC
Sylvan Learning of Wilmington	4130 Oleander Drive, Ste. 101	Wilmington, North Carolina 28403	(910) 392-6284	Successful Learning, Inc.
Sylvan Learning of	3360 Robinhood Road	Winston-Salem, North	(336) 724-5644	Maj-One LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
Winston-Salem		Carolina 27106		
Sylvan Learning of Bismarck	212 West Century Ave Century Office Plaza Park	Bismarck, North Dakota 58503	(701) 223-0010	Educational Achievements, Inc.
Sylvan Learning of Fargo	3033 Brandt ~~Drive Suite~~Dr Ste A	Fargo, North Dakota 58104	(701) 499-4300	Educational Excellence, Inc.
Sylvan Learning of Grand Forks	1020 S Washington St Ste B	Grand Forks, North Dakota 58201	(540) 447-1129	Dr. Nizar Tayem and Dr. Jaafar Alghazo
Sylvan Learning of Beavercreek	2365 Dayton-Xenia Road	Beavercreek, Ohio 45434	(937) 427-8808	M & D Greenisen LLC
Sylvan Learning of Bowling Green	1039 Haskins ~~Road~~Rd ~~Suite~~ Ste D	Bowling Green, Ohio 43402	(419) 353-7608	Educare Learning Solutions LLC
Sylvan Learning of Centerville	441 Miamisburg-Centervill e Road	Centerville, Ohio 45459	(937) 435-0222	M & D Greenisen LLC
Sylvan Learning of Columbus	5721 N. Hamilton ~~Road~~Rd	Columbus, Ohio 43230	(614) 944-9510	Educare Learning Solutions LLC
Sylvan Learning of Defiance & Wauseon	1018 Ralston Ave Suite 110	Defiance, Ohio 43512	(419) 782-8100	Educare Learning Solutions LLC
Sylvan Learning of Dublin	6265 Emerald Parkway	Dublin, Ohio 43016	(614) 389-1944	Educare Learning Solutions LLC
Sylvan Learning of Fairlawn	3009 Smith Rd. ~~Suite~~ Ste 500	Fairlawn, Ohio 44333	(330) 836-7031	~~KNA Growth Opportunities~~White Caps Learning, LLC
Sylvan Learning of Findlay	1781 Tiffin Avenue	Findlay, Ohio 45840	(419) 427-0975	Educare Learning Solutions LLC
Sylvan Learning of Toledo	1566 Spring Meadows Dr.	Holland, Ohio 43528	(419) 867-1331	Educare Learning Solutions LLC
Sylvan Learning of Lewis Center	8933 S Old State Rd.	Lewis Center, Ohio 43035	(~~740~~614) ~~548-5663~~515-4863	Educare Learning Solutions LLC
Sylvan Learning of Lima and Wapakoneta	2357 Elida Road	Lima, Ohio 45805	(419) 331-7323	Educare Learning Solutions LLC
Sylvan Learning of Mason and West Chester	6180 Tylersville Road	Mason, Ohio 45040	(513) 204-5647	ITnet Consulting Group, LLC
Sylvan Learning of Mentor	6270 Center Street	Mentor, Ohio 44060	(440) 255-0055	Mentor Center LLC
Sylvan Learning of Niles	950 Youngstown-Warren Rd Square One Centre D	Niles, Ohio 44446	(330) 652-1886	NBM Management, Inc.
Sylvan Learning of Strongsville	14240 Pearl Road	Strongsville, Ohio 44136	(440) 238-0530	White Caps Stewardship, LLC
Sylvan Learning of Twinsburg	8900 Darrow ~~Road Suite~~Rd Ste H106	Twinsburg, Ohio 44087	(330) 487-5820	White Caps Stewardship LLC
~~Greater Dayton Education, LLC~~Sylvan Learning of Vandalia	237 S Dixie Drive. Suite 15	Vandalia, Ohio 45377	(937) 898-6686	Greater Dayton Education, LLC
Sylvan Learning of Westlake	26040 Detroit Road #5	Westlake, Ohio 44145	(440) 835-5050	White Caps Stewardship LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of Lawton	2603 NW Cache ~~Road Suite~~Rd Ste 2	Lawton, Oklahoma 73505	(580) 351-9100	H E Moini LLC
~~Sylvan Learning of Oklahoma City~~	~~9634 N. May Ave.~~	~~Oklahoma City, Oklahoma 73120~~	~~(405) 842-7323~~	~~Oklahoma Education Systems, Inc.~~
~~Sylvan Learning of Owasso~~	~~11632 E. 86th Street N.~~	~~Owasso, Oklahoma 74055~~	~~(918) 274-0700~~	~~Oklahoma Education Systems, Inc.~~
~~Sylvan Learning of Tulsa~~	~~6808 South Memorial Suite 222~~	~~Tulsa, Oklahoma 74133~~	~~(918) 250-7323~~	~~MZM Enterprises, LLC~~
Sylvan Learning of Beaverton	12225 SW 2nd Street, Suite 100	Beaverton, Oregon 97005	(503) 626-7466	AAEE LLC
Sylvan Learning of Bend	2150 Northeast Studio Road Suite 10	Bend, Oregon 97701	(541) 389-9252	Cascade Learning, Inc.
Sylvan Learning of North And Northeast Portland	4300 NE Fremont Columbia Plaza, Suite 150	Portland, Oregon 97213	(503) 249-2855	Advantage Education, Inc.
Sylvan Learning of Salem	4555 Liberty Rd S. ~~South~~ Sunnyslope Center~~,~~ ~~Suite~~ Ste 180	Salem, Oregon 97302	(503) 363-2996	McKenzie Adam, Inc.
Sylvan Learning of Tualatin & West Linn	1672 Willamette Falls Dr, Ste C	West Linn, Oregon 97068	(503) 451-5815	AAEE LLC
~~Sylvan Learning of Cranberry~~	~~850 Cranberry Woods Dr, Suite 2223~~	~~Cranberry Township, Pennsylvania 16066~~	~~(724) 741-1046~~	~~Hometown Learning, LLC~~
Sylvan Learning of Erie	7200 Peach ~~Street~~St Summit Towne Centre ~~Suite~~Ste 440	Erie, Pennsylvania 16509-4709	(814) 864-6100	Erdman Enterprises LLC
Sylvan Learning of Harrisburg	4337 B Union Deposit Rd	Harrisburg, Pennsylvania 17111	(717) 964-6666	Pro Tutoring Services LLC
Sylvan Learning of Lancaster	1695 Oregon Pike	Lancaster, Pennsylvania 17601	(717) 293-0300	Webster Associates, Inc.
Sylvan Learning of Pittsburgh	3150 Washington Rd	McMurray, Pennsylvania 15317	(412) 409-2593	Hometown Learning, LLC
Sylvan Learning of ~~Mechanicsburg~~Carlisle Pike, PA	4910 Carlisle Pike, Suite B5	Mechanicsburg, Pennsylvania 17050	(717) 769-2323	Webster Associates, Inc.
Sylvan Learning of Palmyra	4 N Londonderry Square	Palmyra, Pennsylvania 17078	(717) 838-2650	Webster Associates, Inc.
Sylvan Learning of Philadelphia	6537 Roosevelt Blvd. Roosevelt Plaza	Philadelphia, Pennsylvania 19149	(215) 743-6200	Philadelphia Learning, LLC
~~Sylvan Learning of Delco~~	~~1001 Baltimore Pike, Suite LL14F~~	~~Springfield, Pennsylvania 19064~~	~~(610) 890-5900~~	~~DJ Neill Management, LLC~~
Sylvan Learning of York	2058 S Queen St, Suite B	York, Pennsylvania 17403	(717) ~~293-0300~~723-8928	Webster Associates, Inc.
Sylvan Learning of Coventry	65 Sandy Bottom ~~Road~~Rd	Coventry, Rhode Island 02816	(401) 823-0011	J & G Enterprises, Inc.
Sylvan Learning of Cumberland	2145 Diamond Hill Rd. #2	Cumberland, Rhode Island 02864	(401) 334-9309	J & G Enterprises, Inc.

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of Anderson	110 Miracle Mile Rd~~.~~ ~~Suite~~ Ste D	Anderson, South Carolina 29621	(864) 676-0011	Gardner Learning Centers, Inc.
Sylvan Learning of Lake Wylie / Clover	4607 Charlotte Hwy~~,~~ Suite 110	Clover, South Carolina 29710	(803) 631-1313	NJS Ventures LLC
Sylvan Learning of Columbia	130-9 Forum ~~Drive~~Dr Village at Sandhill	Columbia, South Carolina 29229	(803) 741-0999	Gardner Learning Centers, Inc.
~~Sylvan Learning of Fort Mill~~	~~856 Gold Hill Rd., Unit 108~~	~~Fort Mill, South Carolina 29708~~	~~(803) 431-7199~~	~~Carpenter Rhodes Ventures Inc~~
Sylvan Learning of Greenville	150 Tanner Road	Greenville, South Carolina 29607	(864) 676-0011	Gardner Learning Centers, Inc.
Sylvan Learning of Indian Land	8356 Charlotte Hwy, Suite 102	Indian Land, South Carolina 29707	(803) 547-1777	~~Hopewell Learning Centers,~~TS Insights LLC
Sylvan Learning of Mt. Pleasant	1172 Oakland Market Road Suite 12	Mt. Pleasant, South Carolina 29466	(843) 352-7364	MTC Learning, LLC
Sylvan Learning of Rock Hill	625 Crown Pointe Ln, Ste 106	Rock Hill, South Carolina 29730	(803) 961-4752	NJS Ventures LLC
Sylvan Learning of Spartanburg	100 Burton St~~.~~ ~~Suite~~ Ste A	Spartanburg, South Carolina 29301	(864) 676-0011	Gardner Learning Centers, Inc.
Sylvan Learning of Summerville	~~Relocating, offering online programs in the interim~~113 N. Magnolia St	Summerville, South Carolina 29483	(~~706~~854) ~~496-1240~~220-9292	SC Learning Ventures, LLC
Sylvan Learning of Rapid City	1620 Mt. Rushmore Rd, Suite 100	Rapid City, South Dakota 57702	(605) 791-4544	Appletec SD, LLC
Sylvan Learning of Sioux Falls	4816 S. Technopolis Drive	Sioux Falls, South Dakota 57106	(605) 362-4885	Dakota East Learning, Inc.
Sylvan Learning of Chattanooga	7610 Hamilton Park Dr, Ste. 6	Chattanooga, Tennessee 37421	(423) 894-8333	Learn to Learn, Inc.
Sylvan Learning of Clarksville	220 Forbes ~~Avenue Suite~~Ave Ste A	Clarksville, Tennessee 37040	(931) 647-5811	~~Charlotte Jolly and~~ Janet Crocker
~~Sylvan Learning of Cookeville~~	~~728 South Jefferson Suite 9~~	~~Cookeville, Tennessee 38501~~	~~(931) 528-2543~~	~~Cumberland Ventures, Inc.~~
Sylvan Learning of Kingsport	4260 Fort Henry ~~Drive Suite~~Dr Ste 8	Kingsport, Tennessee 37663	(423) 239-9215	Educational Attainment Systems LLC
Sylvan Learning of Knoxville	10969 Kingston Pike	Knoxville, Tennessee 37922	(865) 675-7323	Full Circle, Inc.
Sylvan Learning of Murfreesboro	810 Medical Center Parkway, Suite C	Murfreesboro, Tennessee 37129	(615) 893-3542	Success in Learning, Inc.
Sylvan Learning of Abilene, Sweetwater, Brownwood and San Angelo	3233-B South Willis	Abilene, Texas 79605	(325) 691-0646	M.J. Sullivan, Inc.
Sylvan Learning of Allen and Plano	210 Central Expressway, Suite 98	Allen, Texas 75013	(469) 675-3238	Diamond Kean DFW LLC
Sylvan Learning of Arlington & Mansfield	6501 S. Cooper Street, #141	Arlington, Texas 76001	(817) 557-6333	Twenty Six Thirty LLC
Sylvan Learning of	4804 East Freeway	Baytown, Texas 77521	(281) 421-4169	RC Thomas LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
Baytown & Mont Belvieu				
Sylvan Learning of Bedford	2113 Harwood Road, Suite 365	Bedford, Texas 76021	(682) 738-3634	Ohana DFW Learn 4, LLC
Sylvan Learning of Bellaire	5316 Bissonnet	Bellaire, Texas 77401	(281) 501-2055	JNJ Learning LLC
Sylvan Learning of Boerne	28765 Interstate 10 West, Suite 109	Boerne, Texas 78006	(830) 368-4149	NWSA Educators, Inc.
Sylvan Learning of Brownsville	3230 Pablo Kisel Blvd., Suite 103	Brownsville, Texas 78520	(956) 550-0050	RGV Tutor, LLC
Sylvan Learning of Bryan/College Station	3100 Wildflower Drive, Suite 310	Bryan, Texas 77802	(979) 846-4988	JEN 2000 Enterprises LLC
Sylvan Learning of Carrollton & Lewisville	1016 E. Hebron Parkway, Suite 175	Carrollton, Texas 75010	(972) 939-9000	Diamond Kean DFW LLC
Sylvan Learning of Cedar Hill	415 E. Pleasant Run Road, Suite 125	Cedar Hill, Texas 75104	(469) 575-9980	Twenty Six Thirty LLC
Sylvan Learning of Celina	1050 S. Preston Rd #116	Celina, Texas 75009	(972) 598-9561	~~CSDT Ventures~~ADK1 Enterprises LLC
Sylvan Learning of ~~North~~ Conroe	1336 League Line Rd, Suite 200	Conroe, Texas 77304	(936) 506-8045	CR Thomas, LLC
Sylvan Learning of Corpus Christi	6001 S. Staples ~~Suite~~ Ste A	Corpus Christi, Texas 78413	(361) 993-3793	Jack & Sue Ann Pitts
Sylvan Learning of Dallas & Highland Park	10455 N. Central Expressway, Suite 111	Dallas, Texas 75231	(214) 342-3305	Twenty Six Thirty LLC
Sylvan Learning of Denton and Corinth	2412 Old North Rd #103	Denton, Texas 76209	(940) 484-7050	AHM Ventures, Inc.
Sylvan Learning of El Campo	1201 N Mechanic	El Campo, Texas 77437	(979) 275-1301	Jen2000 Enterprises, LLC
Sylvan Learning of El Paso Westside	5811 N. Mesa Street	El Paso, Texas 79912	(915) 587-7323	Rydholm, Inc.
Sylvan Learning of El Paso Eastside	1757 George Dieter #114	El Paso, Texas 79936	(915) 629-8774	Rydholm, Inc.
Sylvan Learning of Flower Mound	2750 Churchill Drive, Suite 130	Flower Mound, Texas 75022	(972) 355-0222	Empowering Creative Solutions LLC
Sylvan Learning of South Fort Worth	5832 Southwest Loop 820	Fort Worth, Texas 76132	(817) 377-0632	Watten LLC
Sylvan Learning of North Fort Worth	4240 Heritage Trace Parkway, Suite 500	Fort Worth, Texas 76244	(817) 431-6000	P&A Learning Services Inc
Sylvan Learning of Frisco & McKinney	8765 Stockard ~~Drive Suite~~Dr Ste 801	Frisco, Texas 75034	(214) 618-2955	Diamond Kean DFW LLC
Sylvan Learning of Fulshear	6619 West Cross Creek Bend Ln #100	Fulshear, Texas 77441	(346) 707-8328	Daksh Vidhyapeeth LLC
Sylvan Learning of Harker Heights-Killeen	440 E. Central Texas Expressway, Suite 107	Harker Heights, Texas 76548	(254) 690-6669	Trinity M, LLC
Sylvan Learning of Harlingen	1310 North Ed Carey Drive	Harlingen, Texas 78550	(956) 230-4410	RGV Tutor, LLC

Franchise Name	Address	City, State Zip	Center Phone	Owner
~~Sylvan Learning of Addicks~~	~~6370 N. Eldridge Pkwy, Ste C~~	~~Houston, Texas 77041~~	~~(346) 635-4102~~	~~A Team Learning LLC~~
Sylvan Learning of Atascocita & Humble	16402 W. Lake Houston Pkwy #400	Houston, Texas 77044	(832) 406-7371	Venia Enterprises, LLC
Sylvan Learning of Cypress & Houston	12250 Queenston Blvd., Ste. D	Houston, Texas 77095	(281) 256-0200	JCP Ascension, LLC
Sylvan Learning of Katy & Houston	20033 Katy Freeway	Houston, Texas 77450	(281) 492-7084	~~Korpal & Anwar Learning~~Baynex LLC
Sylvan Learning of Irving	1215 S. MacArthur Blvd.	Irving, Texas 75060	(972) 399-0393	~~Diamond Kean~~IDEALEARNING IV LLC
Sylvan Learning of Coppell & Irving	8787 N. MacArthur Blvd, Suite 140	Irving, Texas 75063	(972) 480-1100	Twenty Six Thirty LLC
Sylvan Learning of Cinco Ranch	3522 S Mason Rd Ste. 375	Katy, Texas 77450	(832) 437-6781	AZG Ventures LLC
Sylvan Learning of Kingwood & Humble	4323 Kingwood Drive	Kingwood, Texas 77339	(281) 361-9253	Venia Enterprises, LLC
Sylvan Learning of Longview	913 W. Loop 281 ~~Suite~~ Ste 206	Longview, Texas 75604	(903) 297-3300	TX Educate, LLC
Sylvan Learning of Lubbock	4601 South Loop 289 ~~Suite~~Ste 23	Lubbock, Texas 79424	(806) 785-4400	South Plains Learning, Inc.
Sylvan Learning of The Woodlands and Magnolia	32731 Egypt Ln #503	Magnolia, Texas 77354	(281) 789-7597	Venia Enterprises, LLC
Sylvan Learning of North McAllen	901 Dove Avenue	McAllen, Texas 78504	(956) 682-9800	RGV Tutor, LLC
Sylvan Learning of McKinney	6840 Virginia Parkway, Suite 105	McKinney, Texas 75071	(214) 504-9200	Diamond Kean DFW LLC
Sylvan Learning of Midland and Odessa	4410 North Midkiff ~~Suite~~Ste D #201	Midland, Texas 79705	(432) 520-9411	Learning Enhancement, Inc.
Sylvan Learning of Missouri City	9119 Highway 6, Suite 240	Missouri City, Texas 77459	(281) 778-9185	4 Ever Clever Learning, LLC
Sylvan Learning of Murphy	150 Brand Road, Unit 400	Murphy, Texas 75094	(469) 454-0110	AmeriTutors Inc.
Sylvan Learning of Pearland	10228 Broadway #156	Pearland, Texas 77584	(713) 340-0333	Student Empowerment Centers, LLC
Sylvan Learning of Prosper	110 South Preston Rd, Ste 30	Prosper, Texas 75078	(972) 782-5151	AmeriTutors Inc.
~~Sylvan Learning of West Richardson~~	~~1333 W. Campbell Rd.~~	~~Richardson, Texas 75080~~	~~(469) 277-6557~~	~~Ohana DFW Learn 1, LLC~~
~~Sylvan Learning of Red Oak~~	~~205 South Main Street, Suite 10-10~~	~~Red Oak, Texas 75154~~	~~(469) 820-9911~~	~~Global Tutoring Network LLC~~
Sylvan Learning of Pecan Grove/Richmond	10450 FM 1464 Road, Suite 700	Richmond, Texas 77407	(281) 302-5684	Bridge 2 Learning Project LLC
Sylvan Learning of Rockwall-Heath	6537 Horizon Road, Suite C	Rockwall, Texas 75032	(972) 930-1230	Ohana DFW Learn 3, LLC
Sylvan Learning of Rowlett	6702 Dalrock Rd, Ste. 136	Rowlett, Texas 75088	(469) 573-5773	Laith Teaching Center Inc

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of South San Antonio	1930 SW Military Dr	San Antonio, Texas 78221	(210) 923-8700	Lovin SLC, Inc.
Sylvan Learning of North Central San Antonio	16648 San Pedro Avenue #101	San Antonio, Texas 78232	(210) 494-4357	Lovin SLC, Inc.
Sylvan Learning of East San Antonio	5723 N. Foster Road, Suite 108	San Antonio, Texas 78244	(210) 661-3171	Lovin SLC, Inc.
Sylvan Learning of NW San Antonio	9703 Bandera Rd~~.~~ ~~Suite~~ Ste 211	San Antonio, Texas 78250	(210) 509-7323	Lovin SLC, Inc.
Sylvan Learning of Schertz	1420 Schertz ~~Parkway~~Pkwy Ste~~.~~ 170	Schertz, Texas 78154	(210) 651-5477	Lovin SLC, Inc.
Sylvan Learning of Southlake & Keller	601 E Southlake Blvd. #200	Southlake, Texas 76092	(817) 416-6827	Twenty Six Thirty LLC
Sylvan Learning of West Spring and Klein	19535 Champion Forest Dr, Ste A	Spring, Texas 77379	(281) 586-8069	JCP Ascension, LLC
Sylvan Learning of East Spring at Woodsons Reserve	3917 Woodson's Reserve Parkway #300	Spring, Texas 77386	(832) 585-1345	Venia Enterprises, LLC
Sylvan Learning of Bulverde	18534 Forty Six Parkway Ste 2	Spring Branch, TX 78070	(830) 225-6720	NWSA Educators, Inc.
Sylvan Learning of Sugar Land	15219 Southwest ~~Freeway~~Fwy	Sugar Land, Texas 77478	(281) 980-1199	Bridge 2 Learning Project LLC
Sylvan Learning Of Greatwood	19875 Southwest Fwy	Sugar Land, Texas 77479	(346) ~~626-8751~~521-4645	AZG Ventures LLC
Sylvan Learning of Tyler	4019 South Broadway	Tyler, Texas 75701	(903) 597-2535	TEW Educate, LLC
Sylvan Learning of Victoria	1902 John Stockbauer ~~Drive,~~ Dr Ste 200	Victoria, Texas 77901	(361) 578-3224	SWS Texas LLC
Sylvan Learning of Waco & Woodway	15150 Badger Ranch Blvd~~.~~, Ste. 202	Waco, Texas 76712	(254) 772-8811	Twenty Six Thirty LLC
Sylvan Learning of Clear Lake & Webster	20814 Gulf Freeway, Suite 50	Webster, Texas 77598	(281) 557-5558	~~HelminiakCorpLLC~~HelminiakCorp LLC
~~Sylvan Learning of Aledo-Weatherford~~	~~120 El Chico Trail, Suite D~~	~~Willow Park, Texas 76087~~	~~(817) 415-1313~~	~~Ohana DFW Learn 2, LLC~~
Sylvan Learning of Layton	575 North Main ~~Street~~St	Layton, Utah 84041	(801) 543-4400	Utah Educate Inc.
Sylvan Learning of Lehi	785 East 200 ~~South,~~S. Suite 11	Lehi, Utah 84043	(801) 763-4880	DH2 GROUP LLC
~~Sylvan Learning of Orem~~	~~581 W 1600 N, Ste C~~	~~Orem, Utah 84057~~	~~(801) 235-1800~~	~~DH2 GROUP LLC~~
Sylvan Learning of Riverton	12447 S. Crossing Drive, Suite 11	Riverton, Utah 84096	(801) 365-6500	DH2 GROUP LLC
~~Sylvan Learning of Sandy~~	~~8184 S Highland Drive, Suite C8~~	~~Sandy, Utah 84093~~	~~(801) 233-1700~~	~~DH2 GROUP LLC~~
~~Sylvan Learning of Saint George~~	~~57 North 500 East~~	~~St. George, Utah 84770~~	~~(435) 656-1700~~	~~J.C.H., Inc.~~

Franchise Name	Address	City, State Zip	Center Phone	Owner
Sylvan Learning of Essex Junction	1 Market Place, Unit 10	Essex Junction, Vermont 05452	(802) 871-5230	14th State Learning, LLC
Sylvan Learning of Alexandria	2305 Mount Vernon Ave.	Alexandria, Virginia 22301	(571) 309-0838	Ireedui LLC
Sylvan Learning of Chesapeake	701-P North Battlefield Blvd.	Chesapeake, Virginia 23320	(757) 548-1247	Anowem Educate LLC
~~Sylvan Learning of Danville~~	~~949 Piney Forest Rd, Ste. B~~	~~Danville, Virginia 24540~~	~~(434) 832-1000~~	~~Michael Bowen Enterprises LLC~~
Sylvan Learning of Falls Church	6521 Arlington Blvd, Ste. 306	Falls Church, Virginia 22042	(703) 734-1234	Academia World Corporation
Sylvan Learning of Reston	2579 John Milton Dr, ~~Suite~~Ste 120	Herndon, Virginia 20171	(703) 382-6300	LAFFM Holdings LLC
Sylvan Learning of Leesburg	1608 Village Market Blvd~~.~~ SE, #100~~.~~	Leesburg, Virginia 20175	(571) 366-4754	learning force LLC
~~Sylvan Learning of Lynchburg~~	~~8116 Timberlake Road Suite 200~~	~~Lynchburg, Virginia 24502~~	~~(434) 832-1000~~	~~Michael Bowen Enterprises LLC~~
Sylvan Learning of Midlothian	1807 Huguenot Rd~~,~~ ~~Suite~~ Ste 101	Midlothian, Virginia 23113	(804) ~~240-8408~~767-3353	Successful Learning, Inc.
Sylvan Learning of Stafford	25 Clement ~~Drive~~ ~~Suite~~Dr Ste 115	Stafford, Virginia 22556	(540) 602-2360	~~Academia World Corporation~~Project Explore, LLC
Sylvan Learning of Suffolk and Harbour View	3575 Bridge ~~Road~~Rd #13	Suffolk, Virginia 23435	(757) 548-1247	~~Anowem Educate~~Unto Enterprises LLC
Sylvan Learning of Newport News - Yorktown	5007-G Victory ~~Boulevard~~Blvd	Yorktown, Virginia 23693	(757) 873-2181	WISE Learning Solutions, LLC
Sylvan Learning of Bellevue	4140 Factoria Blvd S.E., Suite 2A	Bellevue, Washington 98006	(425) 641-7609	RKC Education LLC
Sylvan Learning of Bellingham	4152 Meridan ~~Street Suite #~~St Ste 207	Bellingham, Washington 98226	(360) 738-9590	~~Havanah,~~Fireside Scholars LLC
Sylvan Learning of Everett	1327 112th ~~Street~~St SE ~~Suite~~ Ste A2	Everett, Washington 98208	(425) 348-6767	A1 Education Services, Inc.
Sylvan Learning of Federal Way	501 S 336th St	Federal Way, Washington 98003	(253) 838-0507	~~Darcy Webb~~Sylvan Learning Center of Federal Way
Sylvan Learning of Kent	24020 132nd Avenue SE, Unit C	Kent, Washington 98042	(253) 854-7111	~~Symbiont Investments~~Stem King LLC
Sylvan Learning of Kirkland	12305 120th Avenue, NE, Suite F	Kirkland, Washington 98034	(425) 823-6727	~~A1 Education Services,~~Vidyodaya Inc.
Sylvan Learning of Lynnwood and Shoreline	3333 184th ~~Street~~St SW ~~Suite~~ Ste M	Lynnwood, Washington 98037	(425) 774-3922	GKD Enterprises Limited Liability Company
Sylvan Learning of Maple Valley	22141 SE 237th Street, Suite 206	Maple Valley, Washington 98038	(425) 413-2625	Symbiont Investments LLC
Sylvan Learning of	203 N Blakeley Street,	Monroe, Washington	(360) 794-5554	~~A1 Education~~

Franchise Name	Address	City, State Zip	Center Phone	Owner
Monroe	Unit 103	98272		~~Services,~~Vidyodaya Inc.
Sylvan Learning of Oak Harbor	380 SE Pioneer Way, Suite 101	Oak Harbor, Washington 98277	(360) 675-8010	The Wilson Learning Academy LLC
Sylvan Learning of Olympia	3825 Martin Way East ~~Suite~~Ste 103	Olympia, Washington 98506-5278	(360) 438-1833	Puget Sound Learning Centers, LLC
Sylvan Learning of Puyallup	12020 Meridian ~~East Suite~~E. Ste D	Puyallup, Washington 98373	(253) ~~848-0771~~446-5030	Puget Sound Learning Centers, LLC
Sylvan Learning of Renton	12660-B 164th Avenue SE	Renton, Washington 98059	(425) 282-6595	RKC Education LLC
Sylvan Learning of Tri-Cities - Richland	81 Keene Road	Richland, Washington 99352	(509) 736-1509	Sugarplum Associates, LLC
Sylvan Learning of Silverdale	3212 NW Byron St.	Silverdale, Washington 98383	(360) 255-7290	Puget Sound Learning Centers, LLC
Sylvan Learning of Snohomish	723 Ave D, Suite F	Snohomish, Washington 98290	(360) 568-2600	~~A1 Education Services,~~Vidyodaya Inc.
Sylvan Learning of Spokane Valley	1510 N. Argonne Road	Spokane Valley, Washington 99206	(509) ~~924-7656~~904-1202	Advance Education Solutions NW, LLC
Sylvan Learning of Stanwood	8710 271st St. NW ~~PO~~P.O, Box 133	Stanwood, Washington 98292	(360) 629-9989	~~A1 Education Services,~~Vidyodaya Inc.
Sylvan Learning of Tacoma	1614 South Mildred St., Ste. 1614-E	Tacoma, Washington 98465	(253) 987-8565	Puget Sound Learning Centers, LLC
Sylvan Learning of Vancouver	615 SE Chkalov ~~Drive Suite~~Dr Ste 4	Vancouver, Washington 98683	(360) 859-0007	Cascadia Learning Centers, LLC
Sylvan Learning of Brookfield	15060 W. Greenfield ~~Suite~~Ste 104	Brookfield, Wisconsin 53005	(262) 796-0808	A+ Enterprises LLC
Sylvan Learning of Eau Claire	3409 Golf Road	Eau Claire, Wisconsin 54701	(715) 858-1234	Advantage Learning, Inc.
Sylvan Learning of Hudson	904 Carmichael Rd	Hudson, Wisconsin 54016	(715) 690-2722	Advantage Learning, Inc.
Sylvan Learning of Kenosha	7863 Green Bay Rd.	Kenosha, Wisconsin 53142	(262) 694-6286	S B Associates, Inc.

LIST OF CURRENT DEVELOPERS
AS OF DECEMBER 31, ~~2024~~2025

Name	City, State	Contact Information
Todd Crabtree	Buena Park, CA; Downey, CA	(818) 620-0770
Gulnara Zholdasbay	Coral Gables, FL; Dadeland, FL	(410) 843-6353
Dome Djidji and Hwai Chan[1]	Alpharetta, GA; Buford, GA; Dunwoody, GA; Johns Creek, GA	(919) 317-2793
Ed Bahoura*	Detroit~~, Michigan~~ Area I, MI; Detroit Area II, MI; Detroit Area III, MI; Detroit Area IV, MI; Detroit Area V, MI; Grosse Pointe, MI; New Boston, MI; Pontiac, MI; Southfield, MI; Trenton, MI	(586) 212-0286
Katie Cool	Ambler, PA; Ardmore, PA; Glenside, PA; King of Prussia, PA; Lansdale, PA; Malvern, PA.	(215) 375-6434
Dome Djidji and Hwai Chan[1]	Centreville, VA; Gainesville, VA; Manassas, VA	(919) 317-2793
Josephine Chung and Chandrika Karunarathna	Ashburn, VA; South Riding, VA	(818) 233-1183

*This developer is subject to an old form of development agreement which is no longer offered. There are no developers subject to the development agreement described in this disclosure document.

Note 1: This developer has signed two (2) separate development agreements to operate franchised businesses in two different states.

FRANCHISE AGREEMENT SIGNED BUT LOCATION NOT YET OPENED
AS OF DECEMBER 31, ~~2024~~2025

Name	City	State	Phone
Michael Larsen	Danville	CA	(201) 675-7480
The Southern California Learning Corporation – Todd Crabtree	~~Eagle Rock~~Downey	CA	(818) 639-9692
The Southern California Learning Corporation – Todd Crabtree	Los Feliz	CA	(818) 639-9692
~~SANPACT, LLC – Sandeep Malik~~Russell DiVirgilio	~~Orange~~N Santa Clarita	CA	(~~310~~818) ~~467-1366~~625-2000
~~Student Advance Tutoring & Testing #2 LLC – Adriene White~~Arbi Melikian	~~Pico Rivera~~Stevenson Ranch	CA	(~~310~~818) ~~971-0262~~720-9656
~~The Southern California Learning Corporation – Todd Crabtree~~Ashish Raghute	~~South Whittier~~Tustin	CA	(~~818~~951) ~~639-9692~~368-7429
~~LearnBerry, LLC – Megan Cabrera~~Fang Fang	~~Apopka~~Camarillo	~~FL~~CA	(~~321~~310)

Name	City	State	Phone
			~~332-5312~~993-6961
~~Study Solutions PVB LLC - Anil & Mala Singh~~Robyn Reisch	~~Nocatee~~Windsor	~~FL~~CO	(~~347~~703) ~~251-4962~~819-3284
~~Soaring to Success Learning LLC - William & Rachelle Cintron~~Kapsales Education Group LLC - Ayda & Peter Kapsales	~~Port St. Lucie~~Casselberry	FL	(~~772~~732) ~~342-5158~~500-0634
~~Study Solutions LLC - Anil & Mala Singh~~Gulnara Zholdasbay	~~St. Augustine~~Coral Gables	FL	(~~347~~305) ~~251-4962~~360-3553
Study Solutions JAX LLC – Anil & Mala Singh	St. Johns ~~East~~West	FL	(347) 251-4962
Dome Djidji and Hwai Chan	Dunwoody	GA	(919) 317-2793
MaShon Wilson	Roswell	GA	(510) 282-3341
FCH L.L.C. – Jeff Hohensee	Des Moines	IA	(515) 988-9955
FCH L.L.C. – Jeff Hohensee	Saylorville	IA	(515) 988-9955
Daksh Institute LLC – Sudhaker Chhabra	Coeur d'Alene	ID	(208) 713-4165
Daksh Institute LLC – Sudhaker Chhabra	Twin Falls	ID	(208) 713-4165
~~KCK, LLC - Kent Kolbow~~Rajeswari Ramasamy	~~Portage~~Chelmsford	~~IN~~MA	(~~574~~781) ~~514-3636~~652-1492
Annette & Robert Spaulding	Dunkirk	MD	(718) 490-3166
Prompt and Quality Services LLC – Anthony & Onyinye Igbokwe	Denver	NC	(646) 418-2341
~~Prompt and Quality Services~~Moore Minds LLC - ~~Anthony & Onyinye Igbokwe~~Brandi Kelly	~~Monroe~~Pinehurst	NC	(~~646~~910) ~~418-2341~~638-6787
~~Hopewell Educational Enterprises, Inc. - Marty Conner~~	~~Stallings~~	~~NC~~	~~(704) 299-8088~~
Sirius Innovations Inc. – Michael Hazen	Closter	NJ	(201) 675-7480
~~NEXGEN LEARNING LLC - Hannah Lee~~Erez Hoffman	~~Jersey City~~Rockland County, NY	~~NJ~~NY	(~~646~~908) ~~750-8217~~307-0320
~~Paramount Family Services LLC - LaRhonda Lewis~~Katie Cool	~~Newark~~Ambler	~~NJ~~PA	(~~908~~215) ~~868-1162~~375-6434
Robert Arnold	Bartlett	TN	(901) 356-3008
NWSA Educators, Inc. – Joan Lovin	Bulverde	TX	(~~419~~830) ~~234-1014~~225-6720
AZG Ventures LLC – Zibaa Pirani	Hunters Creek	TX	(713) 410-7021
~~A Team Learning LLC - Arthur & Nina Fonteneaux~~	~~Liberty~~	~~TX~~	~~(713) 703-9879~~
Carissa Li Ying Chan	Manchaca	TX	(214) 289-9056
~~Angelica~~Norita's Guiding Star Education LLC - Ana Teodoro	Memorial	TX	(832) 257-7372
~~A Team Learning LLC - Arthur & Nina Fonteneaux~~Excel Scholars L.L.C. - Natasha Fernando and Dilhan Manawadu	~~Spring Branch~~Westchase	TX	(~~713~~281) ~~703-9879~~796-1986
Carissa Li Ying Chan	Sunset Valley	TX	(214) 289-9056
~~A Team Learning LLC - Arthur & Nina Fonteneaux~~Imagination Unlimited LLC - Kimberly & Craig Price	~~Westbranch~~Westheimer Lakes	TX	(713) ~~703-9879~~320-4533
~~Empower Academy LLC - Aashish Palla~~Dome Djidji and Hwai Chan	~~Chantilly~~Gainesville	VA	(~~703~~919) ~~577-7326~~317-2793
Achievemo LLC - Josephine Chung and Chandrika	South Riding	VA	(818) 233-1183

Name	City	State	Phone
Karunarathna			
Excelsior Learning LLC – Adam Lewis	Middleton	WI	(201) 563-8819
Excelsior Learning LLC – Adam Lewis	Sun Prairie	WI	(201) 563-8819
Lakeside Learning, LLC - Katelyn O'Brien	Morgantown	WV	(724) 986-3132

FRANCHISES WHOSE AGREEMENTS WERE TERMINATED, CANCELLED, TRANSFERRED, NOT RENEWED, OR WHO CEASED DOING BUSINESS AS OF DECEMBER 31, ~~2024~~2025 OR WHO HAS NOT COMMUNICATED WITH THE FRANCHISOR WITHIN 10 WEEKS OF THE DISCLOSURE DOCUMENT ISSUANCE DATE

Franchisee Name and Contact Information	Center City and State
~~Inspired Learning~~MKZ Management Group LLC ~~Sara Yang~~Ira Sullivan (~~202~~205) ~~887-0447~~568-5121	~~Folsom~~Trussville, ~~CA*~~Alabama
Saguaro Learning, LLC ~~G~~Lori &~~L Investments Inc.~~ George Parker ~~Linda Pham & Holly Le~~ (~~714~~253) ~~655-1977~~302-0015	~~Huntington Beach, CA~~Central Tucson, Arizona
Denham Enterprises LLC Chad Denham (619) 572-3444	Del Mar, California
Student Advance Tutoring and Testing LLC Adriene White (310) 971-0262	Downey, California
D.D. & S. Learning Systems Inc. Carli Ganet; James & Frances Dyer ~~Blue Horizon Learning Center LLC~~ ~~Chastity & Spencer Heyward~~ (~~951~~858) ~~999-2922~~212-1449	~~Temecula, CA~~Glendora, California
~~mespedu, llc~~ ~~Mishon Paul~~ ~~(303) 503-5936~~DKM Learning LLC Carrie Tapia; Nate Tapia; Nosrat Maghsoudi (661) 547-0355	~~Lone Tree, CO~~Lancaster, California
~~New Beginnings in Education LLC~~ ~~Fred & Kativa Perkins~~ ~~(850) 377-0728~~Student Advance Tutoring & Testing #2 LLC Kali Wade & Adriene White (310) 954-7522	~~Fort Walton Beach - Shalimar, FL~~Pico Rivera, California*
~~GT Learning Group~~Central Coast Scholars, LLC ~~Gilley & Tod Spaude~~ Matthew Shea (~~352~~805) ~~603-3085~~540-9986	~~Gainesville, FL~~San Luis Obispo, California
~~Learn Time~~AMG Ventures, LLC ~~Michael & Sheri Gray~~ Arlene Garcia	~~Jupiter, FL~~Brookline, Connecticut

Franchisee Name and Contact Information	Center City and State
(914203) 522-6331770-7811	
Achievement Awaits, LLC Adria Bondanza; Michael Walters (610) 800-7763	North Wilmington, Delaware
ENLIGHTEN EDUCATION SOLUTIONS, LLC Manjunath Yerragunta (651) 202-8999	Boca Raton, Florida
Galaxy Star Tutoring LLC William da Silva (321) 217-2277Stine Global LLC Blake Stine & Kathleen Eversole (407) 765-4913	Lake MaryNona, FLFlorida
GT Learning Group, LLC Gilley & Tod Spaude (352) 603-3085EduStation LLC Sultan Jan (205) 514-6768	Ocala, FLPalm Harbor, Florida
GT Learning Group, LLC Gilley & Tod Spaude (352) 603-3085Eminent Learning LLC Mary Rowley & Catherine Frisch (941) 204-0990	Sumter, FL*Port Charlotte, Florida
Intellex EnterprisesGa Learning Ventures, Inc. Judy JohnsonKelly James (813252) 389-8270999-2669	ZephyrhillsAugusta, FLGeorgia
K12 Inc Nawaz Malik (312) 593-7900	Chicago, Illinois
8081 Venture Capital L.L.C. Tree of Knowledge, Inc. Christopher StewartRobert Keller (718309) 450-1229829-3924	Mableton, GA*Forest Park, Illinois
NIAAEllkendan Education LLC Chhaya Dave & Sandip Chatterjee Kenneth Frysztak (224312) 633-9873300-9768	Buffalo Grove, ILLake Zurich, Illinois**
NIAA LLC Chhaya Dave & Sandip Chatterjee (224) 633-9873Assured Educational Services, Inc. Kevin & Marjorie Smith (630) 800-3231	GurneeNaperville, ILIllinois
Spearhead Investments, LLC Keith & Peter Anderberg (816) 520-5970Learning Solution Inc. Daniel & Maragret Callahan (312) 531-8951	ManhattanPlainfield, KSIllinois

Franchisee Name and Contact Information	Center City and State
~~Spearhead Investments,~~Ellkendan Education LLC ~~Keith & Peter Anderberg~~ Kenneth Frysztak (~~816~~312) ~~520-5970~~300-9768	~~Shawnee, KS~~Schaumburg, Illinois**
~~Spearhead Investments,~~FCH LLC Jeff Hohensee & April Samp ~~Keith & Peter Anderberg~~ (~~816~~515) ~~520-5970~~988-9955	~~Topeka~~Hiawatha, ~~KS~~Iowa
~~A+ Tutoring of Wichita LLC~~ ~~Hazel Darrow~~ ~~(316) 519-9614~~Coalescent Ventures LLC Jason Mucci (502) 457-9229	~~Wichita, KS~~Fern Creek, Kentucky
~~ITnet Consulting Group, LLC~~ ~~Madhu & Supraja Sanakari~~ Steven Bright (~~513~~270) ~~407-0476~~559-2875	~~Crestview Hills, KY~~Paducah, Kentucky
~~Anne Marie Naquin & John Cinnater~~ ~~Anne Marie Naquin~~ ~~(985) 223-3798~~Capstone Education Inc. Eui Choi & Eun Kyung Song (502) 693-6380	~~Houma, LA~~Brookline, Massachusetts**
~~Rusthoven Management Company~~ ~~Rick Rusthoven~~ ~~(616) 516-4520~~Capstone Education Inc. Eui Choi & Eun Kyung Song (502) 693-6380	~~Grand Rapids, MI*~~Weymouth, Massachusetts**
~~COT, LLC~~ ~~Jessica & George Rollins~~ ~~(734) 787-0471~~Guardian Angel Learning Centers LLC Eddie Bahoura & Nidal Yasso (586) 212-0286	~~Jackson, MI~~West Bloomfield, Michigan
~~Rusthoven Management Company~~ ~~Rick Rusthoven~~ ~~(616) 516-4520~~	~~Portage, MI~~
~~Rusthoven Management Company~~ ~~Rick Rusthoven~~ ~~(616) 516-4520~~Ecole Academics LLC Paul Ripon (612) 310-3265	~~Grand Rapids, MS*~~Burnsville, Minnesota**
~~Alldaymk LLC~~ ~~Mike Kelley~~ ~~(320) 492-1873~~	~~Burnsville, MN~~
~~Alldaymk LLC~~ ~~Mike Kelley~~ ~~(320) 492-1873~~Ecole Academics LLC	Coon Rapids, ~~MN~~Minnesota**

Franchisee Name and Contact Information	Center City and State
Paul Ripon (612) 310-3265	
~~Alldaymk LLC~~ ~~Mike Kelley~~ ~~(320) 492-1873~~Ecole Academics LLC Paul Ripon (612) 310-3265	Eden Prairie, ~~MN~~Minnesota**
~~Alldaymk LLC~~ ~~Mike Kelley~~ ~~(320) 492-1873~~Ecole Academics LLC Paul Ripon (612) 310-3265	Edina, ~~MN~~Minnesota**
~~Alldaymk LLC~~ ~~Mike Kelley~~ ~~(320) 492-1873~~Ecole Academics LLC Paul Ripon (612) 310-3265	Maple Grove, ~~MN~~Minnesota**
~~Alldaymk LLC~~ ~~Mike Kelley~~ ~~(320) 492-1873~~Ecole Academics LLC Paul Ripon (612) 310-3265	Roseville, ~~MN~~Minnesota**
~~Alldaymk LLC~~ ~~Mike Kelley~~ ~~(320) 492-1873~~Ecole Academics LLC Paul Ripon (612) 310-3265	Saint Paul, ~~MN~~Minnesota**
~~Alldaymk LLC~~ ~~Mike Kelley~~ ~~(320) 492-1873~~Ecole Academics LLC Paul Ripon (612) 310-3265	Woodbury, ~~MN~~Minnesota**
Bliss Education Resources, L.L.C. Deborah Blissenbach ~~Partners in Learning, Inc.~~ ~~Marissa & Gregory Roh~~ (~~402~~507) ~~416-7792~~258-6036	~~Bellevue, NE~~Rochester, Minnesota
Bliss Education Resources, L.L.C. David Blissenbach ~~Partners in Learning, Inc.~~ ~~Marissa & Gregory Roh~~ (~~402~~507) ~~416-7792~~258-6036	~~Lincoln, NE~~Rochester, Minnesota
Lana Education L. L. C. Lana Eid (612) 685-9130	Rogers, Minnesota
Guide & Grow LLC Navdeep & Anil Batra (636) 639-0672	Ballwin, Missouri

Franchisee Name and Contact Information	Center City and State
Guide & Grow LLC Navdeep & Anil Batra (636) 639-0672	Lake St. Louis, Missouri**
~~Partners in Learning~~SLC of Lee's Summit, Inc. ~~Marissa & Gregory Roh~~ Larry Finkemeier (~~402~~816) ~~416-7792~~305-7743	~~NW Omaha, NE~~Lee's Summit, Missouri
Guide & Grow LLC Navdeep & Anil Batra (636) 639-0672	St. Peters, Missouri**
Carpenter-Rhodes Ventures Inc. Brandi Rhodes; Angela & Joe Carpenter (704) 877-5877	Belmont, North Carolina
~~Partners in Learning, Inc.~~ ~~Marissa & Gregory Roh~~ ~~(402) 416-7792~~J&M Learning Systems, Inc. James Hewitt (919) 772-7956	~~Omaha, NE~~Clayton, North Carolina
~~Grant Learning LV, LLC~~ ~~Carole, Frank, & Karen Grant~~ ~~(530) 623-7144~~Hopewell Education Enterprises Inc. Marty Conner (704) 299-8088	~~Henderson, NV~~Stallings, North Carolina*
Capstone Education Inc. Eui Choi & Eun Kyung Song (502) 693-6382	Portsmouth, New Hampshire
~~KD LionStar, LLC~~ ~~Kristen Maines~~ ~~(716) 465-5499~~Capstone Education Inc. Eui Choi & Eun Kyung Song (502) 693-6383	~~Amherst, NY~~Salem, New Hampshire
Lorocco & Levine LLC Brian LoRocco & Edward Levine (908) 531-2604	Caldwell, New Jersey
Paramount Family Services LLC LaRhonda Lewis (908) 868-1162	Central Newark, New Jersey
Paramount Family Services LLC LaRhonda Lewis (908) 868-1162	South Newark, New Jersey*
Nancy & Frank Velisek (732) 687-2965	East Brunswick, New Jersey
JTBIUS INVESTMENTS NV LLC Tina Herrera (702) 689-8166	Blue Diamond, Nevada
BergLynn LLC	Las Vegas SW, Nevada

Franchisee Name and Contact Information	Center City and State
Joann Berg-Lynn & Terrence Lynn (708) 372-6557	
Good Apple Achievement LLC Jay Lin & Grace Wen (347) 256-2340	Elmhurst, New York
~~Academic Ventures MBR~~KNA Growth Opportunities, LC ~~Melinda Wood; Roger Racey; Bretaigne Phillips~~ Krystle Nichols (~~440~~330) ~~296-6649~~495-5877	~~Twinsburg~~Fairlawn, ~~OH~~Ohio
~~Miami Valley Learning Systems, Inc.~~ ~~Debbie Slavens~~ ~~765-918-9406~~Oklahoma Education Systems, Inc. Joshua & Rebekah Ploch (918) 401-5128	~~Vandalia, OH~~Oklahoma City, Oklahoma**
~~Howard Johnson; Jo Jean Johnson~~ ~~580-351-8900~~Oklahoma Education Systems, Inc. Joshua & Rebekah Ploch (918) 401-5128	~~Lawton, OK~~Owasso, Oklahoma**
~~Tulsa Learning Centers, Inc.~~ ~~John Doak; Glenn Haring; James Berryhill~~ ~~(918) 749-0655~~MZM Enterprises, LLC Michael "Zahn" Martin (918) 406-0832	Tulsa, ~~OK~~Oklahoma
~~Crystal Hub Learning LLC~~ ~~Sangeetha & Sridhar Kondaveeti~~ ~~(248) 346-6307~~DJ Neill Enterprises LLC David Neill (484) 431-5548	~~Exton, PA~~Media/Delco, Pennsylvania
~~Gardner Learning Centers~~Webster Associates, Inc. ~~Amy Gardner~~ Lauren & Michael Webster (~~864~~717) ~~326-8646~~926-1151	~~Columbia, SC~~Palmyra, Pennsylvania
Hometown Learning LLC Suzan O'Brien & Katelyn Sines (724) 986-3132	Pittsburgh/Cranberry Township, Pennsylvania
~~SLSC Group, Inc.~~ ~~Susan Fairbairn~~ ~~(512) 497-8440~~Carpenter-Rhodes Ventures Inc. Brandi Rhodes; Angela & Joe Carpenter (704) 877-5877	~~Summerville, SC~~Fort Mill, South Carolina
~~New Beginnings in Education LLC~~ ~~Fred & Kativa Perkins~~ ~~(850) 377-0728~~Hopewell Education Enterprises Inc. Marty Conner (704) 299-8088	~~Memphis, TN*~~Indian Land, South Carolina

Franchisee Name and Contact Information	Center City and State
Cumberland Ventures, Inc. John Keisling (931) 528-2543	Cookeville, Tennessee
~~Diamond Kean Learning LLC~~ ~~Nizar Bhulani~~ ~~(469) 247-2524~~A Team Learning LLC Arthur & Nina Fonteneaux (713) 703-9879	~~Arlington~~Addicks, ~~TX~~Texas
~~Quila A&A Inc.~~ ~~Andrea Uquillas Quila~~CSDT Ventures LLC Shanna & Corey Miller (~~717~~972) ~~379-2333~~439-2253	~~Bayton~~Celina, ~~TX~~Texas
Diamond Kean ~~Learning~~ LLC Nizar Bhulani & Fayzan Keshwani (469) 247-2524	~~Cedar Hills, TX~~Irving South, Texas
Global Tutoring Network LLC Israel Cordero (214) 546-8982	~~Central Dallas, TX*~~Red Oak, Texas
~~Diamond Kean DFW LLC~~ ~~Nizar Bhulani~~ ~~(469) 247-2524~~Ohana DFW Learn 2, LLC Mark & Jennifer Dempsey (214) 215-3542	~~Coppell~~Weatherford, ~~TX~~Texas
~~Diamond Kean Learning LLC~~ ~~Nizar Bhulani~~ ~~(469) 247-2524~~	~~Dallas, TX~~
~~Global Tutoring Network LLC~~ ~~Israel Cordero~~ ~~(214) 546-8982~~Ohana DFW Learn 1, LLC Mark & Jennifer Dempsey (214) 215-3542	~~Forney, TX*~~West Richardson, Texas
~~katy operations llc~~ ~~Dennis & Cathryn Butts~~ ~~(713) 397-1127~~DH2 GROUP LLC Doug Dingman & Lynne Hudson (202) 255-4962	~~Katy~~Orem, ~~TX~~Utah
~~Nasus Group, Inc.~~ ~~Susan Fairbairn~~ ~~(512) 497-8440~~	~~Kyle, TX~~
~~JWilliamsMSED LLC~~ ~~Jasmine Williams~~ ~~(305) 942-7243~~DH2 GROUP LLC Doug Dingman & Lynne Hudson (202) 255-4962	~~Lake Jackson,~~ ~~TX*~~Sandy, Utah
~~Nasus Group, Inc.~~ ~~Susan Fairbairn~~ ~~(512) 497-8440~~Michael Bowen Enterprises LLC Michael Bowen	~~North Austin,~~ ~~TX~~Danville, Virginia

Franchisee Name and Contact Information	Center City and State
(434) 941-7253	
~~Nasus Group, Inc.~~ ~~Susan Fairbairn~~ ~~(512) 497-8440~~	~~Round Rock, TX~~
~~Nasus Group, Inc.~~ ~~Susan Fairbairn~~ ~~(512) 497-8440~~	~~South Austin, TX~~
~~Diamond Kean Learning LLC~~ ~~Nizar Bhulani~~ ~~(469) 247-2524~~	~~Southlake, TX~~
~~Inwood Learning, LLC~~ ~~Ashish & Hemali Kothari~~ ~~(281) 788-7105~~	~~Sugar Land, TX~~
~~Diamond Kean DFW LLC~~ ~~Nizar Bhulani~~ ~~(469) 247-2524~~	~~Waco, TX~~
~~K. Stearns Enterprises, LLC~~ Academia World Corporation ~~Kathy Sterns~~Tuya Munkhjargal (~~818~~202) ~~991-2199~~880-0059	~~Wichita~~ Falls Church, ~~TX~~Virginia**
Academia World Corporation Tuya Munkhjargal ~~Educate Virginia, LLC~~ ~~Scott Lindsey; Daniel Wildman; Tasha Browne~~ (~~540~~202) ~~498-1182~~880-0059	~~Falls Church,~~ ~~VA~~Stafford, Virginia**
~~RMS Enterprise,~~Anowem Education LLC Kimberly Teixeira ~~Ashish Gandhi & Sapna Chordia~~ ~~703-728-7012~~(757) 647-5029	~~Reston~~Suffolk, ~~VA~~Virginia
~~Educate Virginia~~Havannah, LLC ~~Scott Lindsey; Daniel Wildman; Tasha Browne~~ Brehana Fregoso & Robert Harvey (~~540~~360) ~~498-1182~~220-7632	~~Stafford,~~ ~~VA~~Bellingham, Washington**
A1 Education Services, Inc. Mansi & Hemet Garg ~~Puget Sound Learning Centers, LLC~~ ~~David Smith, III & Gail Smith~~ (~~253~~206) ~~581-3389~~445-9638	~~Auburn, WA~~[1]Everett, Washinton**
A1 Education Services, Inc. Mansi & Hemet Garg ~~Stem King LLC~~ ~~Kevin Moen~~ (~~253~~206) ~~508-1705~~445-9638	~~Kent, WA~~Kirkland, Washington**
A1 Education Services, Inc. Mansi & Hemet Garg (206) 445-9638	Monroe, Washington**
~~Kathleen Van Milligen~~ A1 Education Services, Inc.	~~Brookfield,~~ ~~WI~~Snohomish,

Franchisee Name and Contact Information	Center City and State
Mansi & Hemet Garg (~~262~~206) ~~796-0808~~445-9638	Washington**
A1 Education Services, Inc. Mansi & Hemet Garg (206) 445-9638	Stanwood, Washington**

*These locations never opened.

** This signifies that this franchisee operated multiple centers in its Protected Area and either closed or transferred these units together.

~~Note 1: This franchisee operated a primary center and an additional center in its territory, and closed its additional center.~~

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

EXHIBIT E
TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT, ATTACHMENTS, AND STATE-SPECIFIC AMENDMENTS

SYLVAN LEARNING®
FRANCHISE AGREEMENT

SUMMARY PAGE

FRANCHISE AGREEMENT #:	#[_____]
EFFECTIVE DATE:	[_____, 20___].
EXPIRATION DATE:	[_____, 20___] (10th anniversary of the Effective Date)
FRANCHISEE(S):	[_____].
ADDRESS FOR NOTICES:	_____.
TELEPHONE NUMBER:	_____.
E-MAIL ADDRESS:	[_____@_____.com].
FRANCHISOR:	SYLVAN LEARNING, LLC, a Delaware limited liability company.
ADDRESS FOR NOTICE:	2350 Airport Freeway, Suite 505, Bedford, Texas 76022.
PROTECTED AREA NAME:	[_____, ___]; [_____, ___]; & [_____, ___].
INITIAL FRANCHISE FEE:	$~~36,900~~46,900.
CALL CENTER FEE (default is Model B if no selection made):	☐ Model A ($700 per month plus $10 per inquiry) or ☐ Model B ($350 per month plus $30 per inquiry)
GRAND OPENING ADVERTISING AMOUNT:	$10,000 minimum.
MONTHLY ROYALTY FEE:	11% of monthly Gross Sales generated from all services other than ACE IT! and Sylvan Edge programs, subject to a quarterly minimum of $~~8,000~~5,500; and 12% of monthly Gross Sales generated from ACE IT! and Sylvan Edge programs.
NAF CONTRIBUTION:	Up to 5% of monthly Gross Sales generated from all services other than ACE IT! and Sylvan Edge programs.
LOCAL MARKETING EXPENDITURE:	6% of monthly Gross Sales generated from all services other than ACE IT! and Sylvan Edge programs or $1,500 per month, whichever is greater; and 3% of monthly Gross Sales generated from Sylvan Edge.

TECHNOLOGY FEE:	Up to $750 per month, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year or in an amount equal to any increase passed on by the applicable third-party vendors.
RENEWAL FEE:	$6,000 plus reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal

SYLVAN LEARNING®
FRANCHISE AGREEMENT

TABLE OF CONTENTS

1. GRANT OF FRANCHISE 2
A. Grant 2
B. Protected Area 2
C. Reservation of Rights. 2
D. Restrictions. 3
2. TERM 3
A. Initial Term 3
B. Successor Term 3
C. Holding Over. 5
3. DEVELOPMENT PROCEDURES 5
A. Site Selection 5
B. Site Acceptance 6
C. Execution of Lease. 7
D. Lease Approval and Lease Rider 7
E. Relocation 8
F. Splitting the Protected Area 8
G. Additional Centers. 8
4. DRAWINGS, CONSTRUCTION, AND RENOVATION 9
A. Specifications and Drawings 9
B. Acquisition of Necessary Furnishings, Fixtures and Equipment 10
C. Commencement and Completion of Construction and Build Out 10
D. Inspection; Cooperation 11
E. Final Inspection 11
5. OPENING 11
A. Opening Date 11
B. Opening Authorization 11
C. Pre-Opening Assistance 12
D. Ongoing Assistance 13
6. FEES 13
A. Initial Franchise Fee 13
B. Royalty Fee 13
C. Administrative Fees ~~14~~13
D. National Advertising Fund 14
E. Conferences 14
F. Payment for Products and Services 15
G. Payment Method 15
H. Interest~~; Non-Sufficient Funds Charge~~ 16
I. Taxes 16
J. Partial Payments 16
K. Collection Costs and Expenses ~~17~~16
L. Pre-Opening Gross Sales 17
M. Designated Accountants and Fees. 17

N. No Subordination. 17
7. RECORDKEEPING AND REPORTS 17
A. Recordkeeping 17
B. Periodic Reports 17
C. Other Reports 18
D. Audit Rights 18
E. Accounting Practices 18
F. Sylvan Edge and ACE IT! System Reporting and Recordkeeping 19
8. TRAINING AND ASSISTANCE 19
A. Training 19
B. New or Replacement Designated Manager. 20
C. Training by Franchisee of Additional or Replacement Managers. 20
D. Refresher Training. ~~20~~21
E. Training Costs. 21
F. Location of Training. 21
G. Additional Training. 21
H. Program-Specific Training. 21
9. MANUAL 21
A. Manual on Loan. 21
B. The Manual is Confidential. 22
C. Revisions to the Manual. 22
D. Franchisor's Property. 22
10. MODIFICATIONS OF THE SYSTEM 22
11. PERFORMANCE REQUIREMENTS 24
A. Best Efforts 24
B. Standards, Specifications and Procedures 24
C. Designated Suppliers and Distributors ~~24~~25
D. Authorized Products and Services 26
E. Computer Systems and Intranet/Extranet Systems ~~26~~27
F. ~~SylvanSync~~Sylvan Software. 28
G. Non-Cash Payment Systems 30
H. Franchisor Inspections ~~30~~31
I. Upkeep of the Franchised Business ~~31~~32
J. Franchised Business Operations ~~31~~32
K. Management and Personnel ~~31~~32
L. Designated Manager ~~32~~33
M. Signs and Logos ~~33~~34
N. Entertainment Equipment ~~33~~34
O. Compliance with Lease and other Agreements ~~33~~34
P. Compliance with Laws and Good Business Practices ~~33~~34
Q. Payment of Taxes and Other Indebtedness ~~34~~35
R. Membership Program ~~34~~35
S. Crisis Management Events. 35
T. Business Data. ~~35~~36
U. Call Center. 36
V. ACE IT! Program. 36

(i) schools and institutions within the Protected Area; 37
(ii) schools and institutions outside of the Protected Area, provided (a) Franchisee submits a written request to offer and use the ACE IT! System at such location and that Franchisor grants approval for such offering and use in writing to Franchisee, and (b) Franchisee agrees that Franchisee shall immediately cease offering any ACE IT! programs under this Agreement upon Franchisor's written notice for any reason; and 37
(iii) the Approved Location, any Additional Center(s), and Satellites(s) in the Protected Area, provided that Franchisee submits a written request to offer and use the ACE IT! System at such locations and that Franchisor grants approval for such offering and use in writing to Franchisee. Franchisor shall have no obligation to approve any request to allow Franchisee to offer the ACE IT! System in retail Centers or Satellites. 37

12. ORGANIZATION OF THE FRANCHISEE ~~37~~38
A. Representations ~~37~~38
B. Governing Documents ~~37~~38
C. Ownership Interests ~~37~~38
D. Restrictive Legend ~~38~~39
E. Guarantees ~~38~~39

13. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY ~~38~~39
A. Acknowledgments ~~38~~39
B. Modification of the Proprietary Marks and Intellectual Property ~~38~~40
C. Use of the Proprietary Marks and Intellectual Property ~~39~~40
D. Internet and Social Media Usage ~~39~~40
E. Customer Data ~~40~~41
F. Assignment of Rights ~~41~~42
G. Infringement; Notice of Claims ~~41~~42
H. Remedies and Enforcement ~~41~~42

14. CONFIDENTIALITY OBLIGATIONS AND RESTRICTIVE COVENANTS ~~41~~42
A. Confidential Information ~~41~~42
B. Covenants of the Franchisee ~~42~~43
C. Covenants of the Franchisee's Owners ~~43~~44
D. Reformation and Reduction of Scope of Covenants ~~44~~45
E. Acknowledgments ~~44~~45
F. No Undue Hardship ~~44~~45
G. Injunctive Relief ~~44~~45

15. BRAND DEVELOPMENT; MARKETING ~~45~~46
A. General Requirements ~~45~~ and Local Marketing Expenditure. 46
B. Grand Opening Advertising ~~46~~47
C. Advertising Cooperatives ~~46~~47
D. Restriction Against Internet Advertising ~~47~~48
E. NAF ~~47~~48
F. Loyalty Programs, Prize Promotions, and Promotional Literature ~~48~~49
G. Social Media Accounts License. ~~49~~50

16. INSURANCE ~~50~~51
A. Obligation to Maintain Insurance ~~50~~51
B. Minimum Insurance Coverage ~~50~~51
C. Insurance Policy Requirements. ~~52~~53

D. Delivery of Certificate. ~~52~~53
E. Minimum Insurance Requirements Not a Representation of Adequacy ~~52~~53
17. TRANSFER ~~52~~53
A. Transfer by Franchisor ~~52~~53
B. Franchisee Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest. ~~53~~54
C. Franchisee Transfer Among Owners; Transfer of Non-Controlling Interest. ~~55~~56
D. Franchisee Transfer to Business Entity for Convenience. ~~55~~56
E. Security Interest ~~55~~57
F. Public and Private Offerings ~~56~~57
G. Right of First Refusal ~~56~~57
H. Transfer Upon Death or Incapacitation ~~56~~57
I. Transfer to Employee Stock Ownership Plan ("ESOP") 58
~~I~~**J.** Non-Waiver of Claims ~~57~~58
~~J~~**K.** No Transfers in Violation of Law. ~~57~~58
18. DEFAULT AND TERMINATION ~~57~~58
A. Automatic Termination ~~57~~58
B. Termination without Opportunity to Cure ~~57~~59
C. Termination with Opportunity to Cure ~~58~~60
D. Other Remedies ~~60~~62
E. Step-In Rights ~~60~~62
F. Liquidated Damages ~~60~~62
G. Right of Set Off ~~61~~63
H. Cross-Default. ~~61~~63
19. OBLIGATIONS UPON EXPIRATION OR TERMINATION ~~62~~64
A. Expiration or Termination of Franchise ~~62~~64
B. Franchisor's Option to Assume Lease and Purchase Assets Following Expiration or Termination ~~63~~65
C. Compliance with Post Term Obligations ~~65~~67
20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION ~~65~~67
A. Independent Contractor ~~65~~67
B. INDEMNIFICATION ~~66~~68
21. NOTICES ~~68~~70
22. SEVERABILITY AND CONSTRUCTION ~~69~~71
A. Entire Agreement. ~~69~~71
B. Modification. ~~69~~71
C. Written Consent. ~~69~~71
D. No Waiver. ~~69~~71
E. Severability. ~~69~~71
F. Captions and Headings; References to Gender; Counterparts. ~~69~~71
G. Persons Bound. ~~69~~72
H. Franchisor's Judgment. ~~70~~72
I. Third Party Beneficiaries. ~~70~~72
23. GOVERNING LAW AND FORUM SELECTION ~~70~~72
A. Governing Law ~~70~~72
B. Remedy ~~70~~72
C. WAIVER OF JURY TRIAL ~~71~~73

~~D.~~ ~~Contractual Limitations Period~~ ~~71~~
~~E~~**D.** WAIVER OF PUNITIVE DAMAGES ~~71~~73
~~F~~**E.** Attorneys' Fees ~~71~~73
~~G~~**F.** DISPUTE RESOLUTION BY BINDING ARBITRATION ~~71~~73
~~H~~**G.** Consent to Jurisdiction. ~~73~~75
~~I~~**H.** Material Inducement for Franchisor ~~73~~75
~~J~~**I.** No Waiver or Disclaimer of Reliance in Certain States. ~~73~~75
24. ACKNOWLEDGMENTS ~~73~~75
A. Reasonable Restrictions. ~~73~~75
B. Patriot Act. ~~73~~75
C. Receipt of Disclosure Document. ~~74~~76
D. Receipt of Agreement. ~~74~~76
E. Independent Investigation. ~~74~~76
F. No Representations; No Reliance. ~~75~~77
G. No Financial Performance Representations; No Reliance. ~~75~~77
H. No Licensure Representations; No Reliance. ~~75~~77

STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT
RENEWAL RIDER

ATTACHMENTS
Attachment A Glossary of Additional Terms
Attachment B Approved Location and Protected Area
Attachment C Franchisee's Owners and Key Personnel
Attachment D Undertaking and Guaranty
Attachment E Confidentiality and Non-Competition Agreement
Attachment F Telephone Numbers Assignment Agreement
Attachment G Lease Rider
Attachment H ACH Authorization Agreement
Attachment I Dashboard Access Agreement
Attachment J Bright Horizons Participation Program
Attachment K mySylvan Marketplace+ Agreement

SYLVAN LEARNING®
FRANCHISE AGREEMENT

This FRANCHISE AGREEMENT ("Agreement") is made and entered into on the Effective Date reflected in the Summary Page by and between Sylvan Learning, LLC, a Delaware limited liability company, with its principal business address at 2350 Airport Freeway, Suite 505, Bedford, Texas 76022 ("we," "our," "Sylvan," or "Franchisor") and the Franchisee identified on the Summary Page ("you," "your" or "Franchisee").

BACKGROUND:

A. Franchisor and its Affiliates, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive business system relating to the development, establishment, and 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 under the name SYLVAN LEARNING® trademarks (generally, the "Sylvan Learning Business"), which are based on and include the Proprietary Services, Proprietary Marks, Indicia, and Standards ("System").

B. The distinguishing characteristics of the System include, without limitation, our current and any future program curricula, in-person educational tutoring services in a variety of academic subjects, products, and merchandise, which incorporate Franchisor's Proprietary Marks, trade secrets, and proprietary information ("Proprietary Services"); distinctive exterior and interior design, decor, color scheme, graphics, fixtures, and furnishings ("Indicia"); standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs ("Standards"); all of which may be changed, improved, and further developed by Franchisor from time-to-time. For purposes of clarity, the System franchised under this Franchise Agreement and Proprietary Services include, but is not limited to, SylvanSync, Sylvan Edge, and ACE IT! and any other programs that Sylvan may develop in the future and deem to be part of the System.

C. The System is identified and recognized by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the word marks "Sylvan" and "Sylvan Learning" (the "Brand") and the list of marks set forth in Attachment A to this Agreement, and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as Franchisor may hereafter designate in writing for use regarding the System ("Proprietary Marks").

D. Franchisor and its Affiliates continue to develop, establish, use, and control the use of the Proprietary Services, Proprietary Marks, Indicia, Standards, and System to identify for the public the source of services and products marketed under this Agreement and under the System, and to represent the System's high standards of quality, appearance, and service.

E. You have applied for the right to operate a business using the System and the Proprietary Services, Proprietary Marks, Indicia, and Standards (the "Franchised Business"), and Franchisor has approved your application in reliance on the representations contained therein, including those concerning your financial resources, your business experience and interests, and the way the Franchised Business will be owned and operated.

AGREEMENT:

IN CONSIDERATION OF the mutual promises contained in this Agreement, including the recitals set forth above, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. GRANT OF FRANCHISE

A. Grant.

Subject to the provisions of this Agreement, including without limitation Franchisor's reservation of rights described in Section 1.B., Franchisor hereby grants you, upon the terms and conditions in this Agreement, the right and limited license ("Franchise"), and Franchisee hereby accepts the right and obligation, to develop and continuously operate the Franchised Business at the site(s) mutually agreed upon by Franchisor and Franchisee as identified in Attachment B to this Agreement (the "Approved Location") and to use the Proprietary Marks and System in the operation and promotion of the Franchised Business in accordance with the terms and conditions of this Agreement, the Standards, and the Manual serving retail-pay customers and, upon separate prior written approval by Franchisor, institutional-pay customers.

A. Protected Area.

You must operate the Franchised Business at a site within the Protected Area, as further described in Section 3.A. Upon our approval of the site for the Franchised Business in accordance with Section 3.B. and the parties' execution of Attachment B identifying the Approved Location for the Franchised Business, your Protected Area will be described in Attachment B and deemed incorporated herein. During the Term, and provided that you are in full compliance with this Agreement and all other agreements between you and Franchisor or its Affiliates, Franchisor shall neither operate nor grant others the right to operate another Sylvan Learning business in the Protected Area (until such time as the Approved Location is identified), and thereafter, the Protected Area as described in Attachment B, except for those rights reserved to Franchisor in this Section 1.B. The Protected Area may overlap with or be overlapped by the protected area of other Sylvan Learning franchisees or Sylvan Learning locations that our Affiliates own or operate, so long as there are no other Sylvan Learning locations in the area of overlap. If there are overlapping protected areas, then during the Term, neither you nor the overlapping franchisee, nor any Affiliate will be permitted to open a Sylvan Learning location within the area of overlap. For avoidance of doubt, nothing in this Agreement shall be deemed to grant Franchisee an exclusive territory.

B. Reservation of Rights.

Franchisor on behalf of itself, its Affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and, without any compensation or consideration to Franchisee, to (a) own, acquire, establish, operate, and grant to others the right to operate a Sylvan Learning Business or other business that offers and sells products and services that are the same as or similar to a Sylvan Learning Business using the System and/or the Proprietary Marks at locations outside Franchisee's Protected Area as Franchisor deems appropriate and irrespective of the proximity to Franchisee's Protected Area; (b) acquire, merge with, or otherwise affiliate with one or more businesses of any kind including businesses that offer and sell products and services that are the same as or similar to a Sylvan Learning Business, and, after such acquisition, merger or affiliation, to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses of any kind even if such business offer and sell products and services that are the same as or similar to a Sylvan Learning Business (but not using Sylvan Learning Proprietary Marks) within Franchisee's Protected Area; (c) be acquired by, merge with, or otherwise affiliate with one or more businesses of any kind including businesses that offer and sell products and services that are the same as or similar to a Sylvan Learning Business even if such business or businesses presently, or in the future, own and operate

and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to a Sylvan Learning Business (but not use Sylvan Learning Proprietary Marks) within Franchisee's Protected Area; (d) use the Proprietary Marks and System to distribute the Proprietary Services or products and services similar to the Proprietary Services in Alternative Channels of Distribution within or outside Franchisee's Protected Area, without limitation, including to sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers, distributors, catalogs, mail order, toll free numbers, the Internet, mobile or temporary locations, or other alternative distribution channels, including products bearing Proprietary Marks anywhere within or outside of the Protected Area. Franchisee is not entitled to compensation for any such sales made in the Protected Area; (e) operate and grant to others the right to operate a Sylvan Learning Business or other business that offers and sells products and services that are the same as or similar to a Sylvan Learning Business using the System and/or the Proprietary Marks at within non-traditional fixed-location third-party sites such as (but not limited to) Affiliated Brands' premises, national retail outlets, and captive markets that include resorts, parks, stadiums, and other venues with a captive audience, both within or outside Franchisee's Protected Area; (f) use the Proprietary Marks and System and to license others to use the Proprietary Marks and System to engage in all other activities not expressly prohibited by this Agreement; (g) establish and operate, and license others to establish and operate, any business other than an Sylvan Learning Business, under the Proprietary Marks or under other marks, including education or children's entertainment businesses that we or our affiliates may operate, acquire, be acquired by, or be merged or consolidated with; and (h) the right to provide Proprietary Services virtually through the internet or other online platform both within or outside of the Franchisee's Protected Area. Nothing in this Agreement prohibits or restricts Franchisor from owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (i.e., a mark other than SYLVAN LEARNING), whether or not the business is the same as or competitive with SYLVAN LEARNING Businesses within or outside of the Protected Area. In addition, Franchisor and its Affiliates may advertise and promote Sylvan Learning brand and the System within and outside your Protected Area (if applicable) without limitation.

C. Restrictions.

Franchisee has no right to (i) sublicense the Proprietary Marks or the System to any other person or entity, (ii) use the Proprietary Marks or System at any location other than the Approved Location and within the Protected Area, except for when providing Proprietary Services at Third Party Sites within its Protected Area or as otherwise approved by Franchisor, or (iii) except as expressly authorized by Franchisor, to use the Proprietary Marks or System in any type of sale of, or offer to sell, or distribution of products or Proprietary Services, including, but not limited to: selling, distributing or otherwise providing, any products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any products through catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet).

2. TERM

A. Initial Term.

The initial term of this Agreement ("Initial Term") shall begin on the Effective Date and shall expire at midnight on the tenth anniversary of the Effective Date (the "Expiration Date"). Notwithstanding the foregoing, nothing contained in this Section 2.A. will limit Franchisor's termination rights set forth in Article 18 of this Agreement. You agree to operate the Franchised Business in compliance with this Agreement for the entire Initial Term unless this Agreement is properly terminated under Article 18.

B. Successor Term.

At the expiration of the Initial Term, you will have an option to remain a franchisee at the Approved Location for two (2) additional, consecutive five (5)-year successor terms (the "Successor Terms"). The Initial Term and Successor Terms (if any) are referred to in this Agreement as the "Term." You must give Franchisor written notice of whether you intend to exercise each Successor Term option no less than eight months, nor more than 12 months, before expiration of the then-current Term. Failure to timely provide the required written notice constitutes a waiver of your option to remain a franchisee beyond the expiration of the then-current Term. If you desire to exercise this option, you must comply with all of the following conditions prior to and at the end of the then-current Term:

(1) You may not be in default under this Agreement or any other agreement between you and Franchisor or its Affiliates; you may not be in default beyond the applicable cure period of any real estate lease, equipment lease or financing instrument relating to the Franchised Business; you may not be in default beyond the applicable cure period with any vendor or supplier to the Franchised Business; and, for the 12 months before the date of your notice and the 12 months before the expiration of the then-current term, you may not have been in default beyond the applicable cure period under this Agreement or any other agreements between you and Franchisor or its Affiliates;

(2) You (and any of your affiliates) shall not have any past due monetary obligations or other outstanding obligations to Franchisor and its Affiliates, the approved suppliers of the System, or the lessor of the premises of the Franchised Business;

(3) If reasonably deemed necessary by Franchisor, you must renovate and upgrade the Franchised Business premises and all fixtures, furniture, equipment, signage and graphics, at your expense, to reflect the then-current image of a Sylvan Learning business, which renovations may include structural changes, installation of new equipment, remodeling, redecoration, and modifications to existing improvements;

(4) You must have the right to remain in possession of the Franchised Business premises for the Successor Term, or have secured other premises acceptable to Franchisor for the purposes of operating the Franchised Business in the Successor Term and all monetary obligations owed to your landlord, if any, must be current;

(5) You and your employees must be in compliance with Franchisor's then-current training requirements, and if Franchisor requires, attend the then-current initial training or additional training before renewal is approved;

(6) At the time of renewal, you satisfy Franchisor's standards of financial responsibility and, if requested by Franchisor, you demonstrate to Franchisor that you have sufficient financial resources and means to continue to operate the Franchised Business during the renewal term;

(7) You and each Owner shall have executed Franchisor's then-current form of general release, subject to governing law, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective past and present officers, directors, shareholders, agents, and employees, in their corporate and individual capacity, including, without limitation, claims arising under federal, state, or local laws, rules, or ordinances, and claims arising out of, or relating to, this Agreement, any other agreements between you and Franchisor or its Affiliates, your operation of the Franchised Business, and the offer and grant of the franchise opportunity; ~~and~~

(1) You must conduct Refresh Grand Opening (as defined in Section 15.B. below), which shall be a minimum of $10,000; and

(2) ~~(8)~~ You may not have an established pattern of failing to operate the Franchised Business in accordance with this Agreement and with the System (as set forth in the Manual or otherwise and as revised from time-to-time by Franchisor), as evidenced by three or more failed quality assurance

evaluations conducted by Franchisor or its designee pursuant to Section 18.B.(7), regardless of whether any corrective action with respect to such failed evaluation was completed, and you have operated any other Sylvan Learning businesses in which you have an interest in accordance with the applicable franchise agreements.

Within four months after Franchisor's receipt of written notice of your desire for a Successor Term, and subject to you providing such information and documentation requested by Franchisor, including the information described in this Section 2.B. and current financial statements, Franchisor will provide written notice to you regarding whether or not you satisfy the criteria to remain a franchisee for such Successor Term. Such notice will contain preliminary information regarding the required renovations and modernizations described in Section 2.B.(3), above. If you fail to satisfy the criteria for renewal as set forth above, then Franchisor will have the right to unilaterally extend the Initial Term as necessary to comply with governing law.

This Agreement does not grant any automatic rights to a Successor Term and Franchisor is not obligated to offer you a Successor Term if the requirements of this Section 2.B. are not strictly and timely met. If you are granted the right to a Successor Term, Franchisor will deliver to you the then-current form of the franchise disclosure document and, for execution, its then-current form of franchise agreement which may contain terms and conditions differing materially from any and all of those in this Agreement, including, without limitation, higher royalty fees and marketing obligations. Your Protected Area under the franchise agreement for the Successor Term will be the same as under this Agreement. Franchisor will waive any initial franchise fee imposed under such franchise agreement, but you must pay Franchisor the Renewal Fee set forth in Attachment A and identified on the Summary Page. If applicable, you must also pay Franchisor the Holdover Fee set forth in Section 2.C. below.

You must execute the franchise agreement for the Successor Term and return the signed franchise agreement and payment of the Renewal Fee to Franchisor prior to expiration of the then-current Term. Except as provided in Section 2.C. below, your failure to sign the then-current franchise agreement, pay the Renewal Fee, and return them to Franchisor prior to expiration of the then-current Term shall be deemed a waiver of your right to renew for a Successor Term, and this Agreement and the Franchise granted by this Agreement will expire on the Expiration Date. If you have complied timely with all conditions set forth in this Article 2, Franchisor shall execute the franchise agreement for the Successor Term and promptly return a fully executed copy to you.

Notwithstanding the foregoing in this Section 2.B., if Franchisor publicly announces a decision to discontinue offering new franchises and the renewal of existing franchises, then upon expiration of the then-current Term, you shall not have the right to renew this Agreement, in which case and only in such case, the post-termination covenants of Section 14.B. herein shall not apply.

C. Holding Over.

If you continue to operate the Franchised Business after the expiration of the Initial Term, without having completed or compiled with the required Successor Term process in Section 2.B., Franchisor, at its option, may consider this Agreement to be renewed on a month-to-month basis until all of the conditions set forth above are met or the Agreement is extended by execution of an extension agreement or is terminated. Whether or not Franchisor exercises this option, you will owe Franchisor the then-current holdover fee for each day, up to $250 per day, that you operate after the expiration of the Initial Term until the Agreement is renewed, extended or terminated ("Holdover Fee"). Notwithstanding any month-to-month extension, any continuance of business relations between you and Franchisor after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, or extension beyond a month-to-month arrangement and will not be considered a continuation of the Franchise unless you and Franchisor agree in writing to such renewal, extension or continuation. Payment of the Holdover Fee shall be made in such manner and at such time as Franchisor shall require, including by electronic means.

3. DEVELOPMENT PROCEDURES

A. Site Selection.

Franchisee shall locate and secure, subject to Franchisor's approval, access to and use of an Approved Location for the Franchised Business within the Protected Area described in Attachment B (the "Protected Area"). Franchisee shall be limited to locating and securing a site for the Franchised Business within this Protected Area, which must be approved pursuant to Section 3.B. below.

Upon identifying a potential Approved Location, Franchisee shall submit to Franchisor its complete Site Application in accordance with the Site Application procedures set forth in the Manual. Franchisor will provide Franchisee with site selection assistance as Franchisor deems advisable, including without limitation Franchisor's site selection guidelines and design specifications and conducting an on-site evaluation of the proposed site; provided, Franchisor will not conduct an on-site evaluation for any proposed site prior to the receipt of the complete Site Application. To the extent Franchisor conducts an on-site evaluation, Franchisee will reimburse Franchisor for its out-of-pocket expenses incurred in connection with such site evaluation, including travel, accommodations, and meals. Franchisee must obtain Franchisor's acceptance of the site for the Franchised Business within the Protected Area and sign the lease by the Lease Deadline (defined below). Franchisee assumes all cost, liability, expense, and responsibility for locating, obtaining, and developing the site for the Franchised Business within the Protected Area and for finish-out or renovation and equipping the Franchised Business at the site.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S PROVIDING ITS SITE SELECTION GUIDELINES AND DESIGN SPECIFICATIONS AND ANY OTHER SITE SELECTION ASSISTANCE TO FRANCHISEE PRIOR TO THE PROPOSED SITE BEING ACCEPTED BY FRANCHISOR WILL NOT CREATE ANY RELIANCE OR EXPECTATION DAMAGES OR LIABILITY FOR FRANCHISOR, AND SUCH ACTIVITIES WILL NOT CREATE ANY EXPECTATIONS OR REPRESENTATIONS TO FRANCHISEE THAT ANY PROPOSED SITE WILL BE ACCEPTED BY FRANCHISOR. Without Franchisee's prior consent, Franchisor shall not operate nor grant others the right to operate another Sylvan Learning location in the Protected Area so long as Franchisee is in compliance with this Agreement and during the Term unless terminated, subject to Section 1.B.

B. Site Acceptance.

Franchisee shall develop and operate the Franchised Business only at the site and premises specified in Attachment B to this Agreement as the "Approved Location" (or "Premises"). The Approved Location shall be described in Attachment B subsequent to the execution of this Agreement, upon Franchisor's approval of the location and execution of the related lease or other agreement for access to and use of the space. Franchisee shall not relocate the Franchised Business from the Approved Location without Franchisor's prior written consent and/or otherwise in writing by Franchisor, as provided in Section 3.E. below.

Upon receipt of the complete Site Application, as determined by Franchisor, Franchisor will review and notify you whether Franchisor accepts (in writing) or does not accept, at its sole option, Franchisee's proposed site. If Franchisor does not provide written notice to Franchisee of its acceptance of a proposed site, Franchisor will be deemed to have rejected the proposed site. Upon Franchisor's acceptance of a proposed site, Franchisor will identify the Opening Date and the Parties will amend Attachment B memorializing the address of the Approved Location, the Protected Area, and the Opening Date. No site may be used for the location of the Franchised Business unless it is first accepted by Franchisor. No site shall be identified outside of the Protected Area, unless otherwise agreed to by the parties and upon written amendment to this Franchise Agreement.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S RENDERING OF ANY SITE SELECTION ASSISTANCE OR ITS APPROVAL OF YOUR PROPOSED SITE DOES NOT AND WILL NOT CONSTITUTE, DIRECTLY OR IMPLICITLY, A REPRESENTATION, WARRANTY, GUARANTY OR ASSURANCE THAT THE FRANCHISED BUSINESS WILL ACHIEVE A CERTAIN SALES VOLUME OR LEVEL OF PROFITABILITY OR OTHERWISE WILL BE SUCCESSFUL; IT MEANS ONLY THAT THE PROPOSED SITE MEETS FRANCHISOR'S MINIMUM SITE CRITERIA. FRANCHISOR ASSUMES NO LIABILITY OR RESPONSIBILITY FOR: (1) EVALUATION OF THE SITE FOR STRUCTURAL SOUNDNESS, SEISMIC ACTIVITY, THE SITE'S SOIL FOR HAZARDOUS SUBSTANCES, OR THE SITE'S COMPLIANCE WITH APPLICABLE BUILDING CODES; (2) INSPECTION OF ANY STRUCTURE ON THE FRANCHISED BUSINESS LOCATION FOR ASBESTOS OR OTHER TOXIC OR HAZARDOUS MATERIALS; (3) COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT ("ADA"); OR (4) COMPLIANCE WITH ANY OTHER GOVERNING LAW. IT IS YOUR SOLE RESPONSIBILITY TO OBTAIN SATISFACTORY EVIDENCE AND ASSURANCES THAT THE SITE (AND ANY STRUCTURES THEREON) IS STRUCTURALLY SOUND, FREE FROM ENVIRONMENTAL CONTAMINATION AND IS IN COMPLIANCE WITH THE REQUIREMENTS OF THE ADA AND OTHER APPLICABLE LAWS.

C. Execution of Lease.

(1) Franchisee shall exert best efforts to timely identify appropriate proposed premises for the Approved Location and submit site selection applications and proposed lease agreements as required to the Franchisor for approval. Unless otherwise agreed by Franchisor in writing, Franchisee is required to lease the Approved Location for the Franchised Business no later than 180 days from the Effective Date ("Lease Deadline," as indicated in Attachment B). Franchisee shall obtain and provide Franchisor a copy of a fully executed lease agreement permitting the operation of the Franchised Business within the Protected Area. Franchisor retains all rights to approve or reject the proposed lease agreement and premises according to its standard practices and the terms set forth in or incorporated into the Franchise Agreement. Upon execution of the lease, Franchisor shall amend the Franchise Agreement (if not already amended under Section 2.B. above) to establish a new Protected Area based on the Approved Location described in the lease upon its execution.

(2) If Franchisee has not executed a lease agreement by the Lease Deadline, then so long as Franchisee has not passed on an identified Acceptable Opportunity (defined below) in the Protected Area, Franchisee shall have a one-time option to either (1) transfer the Protected Area to another territory mutually agreed upon by Franchisor and Franchisee within 30 days after the Lease Deadline, or (2) extend the Lease Deadline by 30 days. Franchisee must provide Franchisor written notice of its election no later than ten (10) days after the Lease Deadline ("Option Deadline") or such option is waived. Franchisee may elect to transfer the Protected Area pursuant to this subsection only if, at the time of the election but no later than the Option Deadline, Franchisor has approved in writing the new territory to be subject of the Franchise Agreement. If Franchisor and Franchisee mutually agree to transfer the Protected Area to another territory by way of written amendment to this Agreement, Franchisee shall be required to execute a lease for the Approved Location for the Franchised Business no later than 60 days from the effective date of such amendment to this Agreement modifying the Protected Area.

(3) "Acceptable Opportunity" shall mean (i) an opportunity to lease an existing premises or newly constructed premises (i.e., develop and lease a new building) in the Protected Area; and (ii) the following criteria are satisfied: (a) when measured within the Protected Area, the total population of children ages 4 to 18 is equal to or greater than ~~8,000~~15,000 and the median household income is equal to or greater than $65,000; and (b) with respect to the proposed premises or building, the rentable square footage is equal to or greater than 1,000 sq. ft. but not more than 2,500 sq. ft.

D. Lease Approval and Lease Rider.

Unless otherwise agreed by Franchisor in writing, Franchisee is required to lease the Approved Location for the Franchised Business~~. On~~, on or before 150 days of the Effective Date or 30 days before the execution of the lease, whichever occurs first, Franchisee shall provide to Franchisor for its review and approval a copy of the proposed lease pursuant to which Franchisee will occupy or acquire rights in the Approved Location after Franchisor accepts the Approved Location. The proposed lease will include the Lease Rider attached to this Agreement as Attachment G and will not contain any covenants or other obligations that would prevent, limit or adversely affect Franchisee from performing its obligations under this Agreement. The proposed lease will be executed by all necessary parties after Franchisor accepts the proposed lease (provided such lease must be executed by the Lease Deadline), and Franchisee will furnish a complete copy of the Lease and Lease Rider to Franchisor within ten days after execution.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S APPROVAL OF A LEASE DOES NOT MEAN THAT THE ECONOMIC OR LEGAL TERMS OF THE LEASE ARE FAVORABLE; IT MEANS ONLY THAT THE LEASE CONTAINS THE LEASE TERMS THAT FRANCHISOR REQUIRES.

E. Relocation.

You may relocate the Franchised Business only within the Protected Area and only with Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent if your lease for the Approved Location expires or terminates through no fault of yours, or if the Franchised Business

premises are destroyed or materially damaged by fire, flood, or other natural catastrophe ("Innocent Loss or Casualty") and you are not in default of this Agreement or any other agreement between you and Franchisor. Selection of the relocation site and Franchised Business construction, renovation, and opening shall be governed by Articles 3, 4, and 5 of this Agreement; provided that: (1) if the relocation occurred as a result of an Innocent Loss or Casualty, the Franchised Business must be open for business at the new location within 180 days of closing at the previous Approved Location; and (2) if the relocation occurred for any other reason, the Franchised Business must be open for business at the new location within 30 days of closing at the previous location. You are solely responsible for all relocation costs and expenses.

F. Splitting the Protected Area.

If you request and we approve your request, your Protected Area may be divided into two separate territories (each a "Split Territory") in order for you to develop a second Approved Location. For the newly created Split Territory, we will disclose to you our then-current franchise disclosure document, and you will execute our then-current form of Franchise Agreement and pay 25% of the then-current initial franchise fee (the "Split Territory Fee"). Concurrent with such execution of the second franchise agreement, this Agreement shall be amended to replace the Protected Area with the smaller remaining Split Territory. Our approval to subdivide your Protected Area is subject to conditions, which may include successful completion of training by a new Designated Manager (if we require you to have a second Designated Manager), your compliance under all franchise agreements and other agreements with us and our affiliates, and the subdivided territory independently meeting our then-current standards for a Protected Area.

G. Additional Centers.

Contingent upon Franchisor's prior approval, Franchisee may open additional locations within the Protected Area subject to the terms and conditions of this Section 3.G., and each additional location shall be identified as one of:

(a) an additional Sylvan center which operates the System in addition to the Approved Location in the Protected Area (an "Additional Center"), which may offer all or a portion of the System, as approved by Franchisor. All terms and conditions for the Approved Location shall apply to such Additional Centers; or

(b) a temporary location in the Protected Area approved by Franchisor ("Satellite"), in which Franchisee may offer any portion or part of the System, or offer other programs and services approved by Franchisor for a short period of time (*i.e.*, a school or a community center). Satellites must meet the requirements forth in the Manual. Subject to Franchisor's prior written approval, and if Franchisee meets the criteria, terms, and conditions that Franchisor may establish from time to time in the Manual or otherwise in writing, Franchisee may also deliver services virtually through live, online platforms in the Protected Area.

Further, for any Additional Centers and Satellites:

(1) Franchisee must notify Franchisor in writing of Franchisee's intention to open an Additional Center or Satellite and shall submit to Franchisor for approval other information as is then required by Franchisor of franchisees opening Additional Centers or Satellites in their territories.

(2) Franchisee must obtain Franchisor's approval of such new Additional Center or Satellite in writing, which Franchisor may withhold in its sole discretion, applying Franchisor's then-current standards and procedures for approval. Franchisor reserves the unrestricted right to approve or deny such written requests from Franchisees for operation of any Additional Center or Satellite.

(3) Upon Franchisor's approval of the Additional Center, the parties shall execute an amendment to Attachment B to the Franchise Agreement to include the Additional Center address, which

may include Franchisor's then-current form of general release. The Additional Center shall be subject to all terms and conditions of this Franchise Agreement, including but not limited to Articles 17, 18, and 19.

(4) You shall maintain separate books for each Additional Center, and submit separate revenue reports, pursuant to Article 7.

The Approved Location, Additional Centers, and Satellites are generally referred to as "Center(s)."

4. DRAWINGS, CONSTRUCTION, AND RENOVATION

A. Specifications and Drawings.

You assume all cost, liability, and expense for developing, constructing, and equipping the Franchised Business. Franchisor reserves the right to identify a Designated Supplier for project management and construction management, which you must utilize and pay the respective fee associated with such services. Franchisor may furnish sample drawings and specifications for a Sylvan Learning business, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront, signage, graphics, and color schemes, or identify a third-party vendor who shall provide these to you at an additional cost. It is your responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Franchised Business, and you must ensure that these plans and specifications comply with applicable law and ordinances, building codes, and permit requirements, and with your lease requirements and restrictions. You shall use only qualified registered architects, registered engineers, and professional and licensed contractors, all or some of which Franchisor may specifically designate or approve from time-to-time in the Manual.

Franchisor may, but is not required to, make available to Franchisee standard plans and specifications for fixtures, equipment, furnishings, and signs to be used in connection with development of the Franchised Business. Franchisee acknowledges that such standard design plans and specifications shall not contain the requirements of any federal, state, or local law, code, or regulation (including without limitation those concerning the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), compliance with which shall be Franchisee's sole responsibility and at Franchisee's sole expense.

You shall submit proposed construction plans, specifications, and drawings for the Franchised Business ("Plans") to Franchisor and shall, upon Franchisor's request, submit all revised or "as built" Plans during such construction. Franchisor will approve or refuse to approve the Plans and notify you in writing within 30 days after receiving the Plans. Once Franchisor has approved the Plans, the Plans shall not be materially changed without Franchisor's prior written approval, which shall not be withheld unreasonably. You may not begin site preparation or construction before Franchisor has approved in writing the Plans. All construction must be in accordance with Plans approved by Franchisor and must comply in all respects with the Standards and with applicable laws, ordinances, local rules, and regulations.

B. Acquisition of Necessary Furnishings, Fixtures and Equipment.

You agree to use in the development and operation of the Franchised Business only the fixtures, furnishings, equipment, technology, signs, and items of décor that Franchisor has approved as meeting its specifications and Standards for quality, design, appearance, function, and performance, including without limitation the Indicia. You further agree to place or display at the Franchised Business location (interior and exterior) only those signs, emblems, lettering, logos, and display materials that Franchisor has approved in writing from time-to-time or as otherwise required in accordance with governing law.

You shall purchase or lease approved brands, types, or models of fixtures, furnishings, equipment, and signs only from suppliers designated or approved by Franchisor. If you propose to purchase, lease or otherwise use any fixtures, furnishings, equipment, signs, or items of décor which have

not been approved by Franchisor, you shall first notify Franchisor in writing and shall, at your sole expense, submit to Franchisor upon its request sufficient specifications, photographs, drawings, or other information or samples for a determination as to whether those fixtures, furnishings, equipment, or signs comply with Franchisor's specifications and Standards. Franchisor will, in its sole discretion, approve or disapprove the items and notify you within 30 days after Franchisor receives the request.

C. Commencement and Completion of Construction and Build Out.

Construction shall be performed or supervised by a general contractor or construction manager that satisfies the Standards set forth in the Manual. You will notify us in writing within ten days following commencement of construction. Once construction has commenced, it shall continue uninterrupted (except for interruption by reason of events constituting Force Majeure) until completed. You must obtain our approval of and open the Franchised Business ~~for business within eighteen (18) months from the Effective Date, which is the maximum time permitted for~~' premises at the Approved Location by the Opening Date, pursuant to Section 5.A. In our sole discretion, if you have made full and complete applications for all building permits, and all other permits required to open the Franchised Business, within ninety (90) days of the date we approve the site, we may grant to you up to two (2) thirty (30) day extensions to open the Franchised Business and/or to obtain all necessary permits, provided that the delay was due to Force Majeure (but not longer than 13 months after the Effective Date of the Franchise Agreement). We are not required to grant extensions. "Force Majeure" means any natural disaster (such as tornadoes, earthquakes, hurricanes and floods), strike, lock-out, or other industrial disturbance, war (declared or undeclared), riot, government mandated closures due to epidemics and pandemics, fire, or other catastrophe, compliance with the orders, requests, regulations of any governmental authority having jurisdiction over a party or its business, and any other cause not within the control of the party affected thereby that materially and adversely affects such party's ability to perform its obligations under this Agreement. Financial inability of a party will not constitute an event of Force Majeure. If events constituting Force Majeure cause a delay in the commencement of the construction or build out of the Franchised Business, Franchisor shall proportionately extend the Opening Date for the Franchised Business. Notwithstanding the occurrence of any such Force Majeure events, the Franchised Business shall be furnished, equipped and shall otherwise be ready to open for business per this Agreement, no later than the Opening Date.

You agree, at your sole expense, to do or cause to be done the following, by the Opening Date:

(1) Obtain and maintain all required building, utility, sign, health, sanitation, business, and other permits and licenses applicable to the Franchised Business;

(2) Make all required improvements to the Franchised Business location and decorate the exterior and interior in compliance with the Plans approved by Franchisor;

(3) Purchase or lease and install all specified and required fixtures, equipment, furnishings, and interior and exterior signs required for the Franchised Business; and

(4) Purchase an opening inventory for the Franchised Business of only authorized and approved products and other materials and supplies.

D. Inspection; Cooperation.

During construction or renovation, you shall (and shall cause your architect, engineer, contractors, and subcontractors to) cooperate fully with Franchisor and its designees for the purpose of permitting Franchisor and its designees to inspect the Franchised Business location and the course of construction or renovation to determine whether construction or renovation is proceeding according to the Plans.

E. Final Inspection.

You shall notify Franchisor in writing at least ten days prior to the date you expect construction or renovation to be completed and a certificate of occupancy to be issued. Upon Franchisor's request, you shall submit a copy of the certificate of occupancy to Franchisor. Franchisor reserves the right, after receiving your notice, to conduct a final inspection of the Franchised Business premises to determine your compliance with this Agreement. You shall not open the Franchised Business for business unless you have satisfied the conditions set forth in Article 5, below. Further, upon Franchisor's request, you agree to submit development costs of the Franchised Business to Franchisor in the format Franchisor requires.

5. OPENING

A. Opening Date.

Franchisee must open the Franchised Business by the "Opening Date", which is the date by which the Franchised Business must open for business to the public, as set forth in Attachment B, which date shall be no later than 273 days following the Effective Date. If the Approved Location is not equipped to open to the public and Franchisee has completed the initial training successfully and is otherwise equipped to offer Proprietary Services successfully, Franchisor reserves the right to require Franchisee to offer Proprietary Services virtually or at approved Satellites to customers before the Opening Date. Any such Gross Sales generated before the Opening Date is subject to payment of fees to Franchisor pursuant to Article 6 below.

Time is of the essence in performance under this Section 5.A. If the Franchised Business is not open and operating by the Opening Date, Franchisor may, at its option, terminate this Agreement without providing any refund to Franchisee or opportunity to cure. However, neither party shall be responsible for non-performance or delay in performance occasioned by a Force Majeure event. Force Majeure shall not include Franchisee's lack of adequate financing, and no event of Force Majeure shall relieve Franchisee of the obligation to pay any money under this Agreement, including the Minimum Royalty.

B. Opening Authorization.

Franchisee shall provide Franchisor with (a) written notice of its specific intended opening date; and (b) request for Franchisor's approval to open on such date. Such written notice and request shall be made no later than thirty (30) days prior to such intended opening date. Franchisor will authorize the opening of the Franchised Business only after all of the following conditions have been fully satisfied:

(1) You are not in material default under this Agreement or any other agreements with Franchisor; you are not in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to the Franchised Business; and you are not in default beyond the applicable cure period with any vendor or supplier of the Franchised Business;

(2) You are current on all monetary obligations due to Franchisor, including payment of the initial franchise fee, Minimum Royalty, Technology Fee, and any other fees then due;

(3) Franchisor is satisfied that the Franchised Business was constructed or renovated substantially in accordance with approved Plans and you have provided documentation satisfactory to Franchisor that such construction or renovation was completed in accordance with applicable federal, state, and local laws, regulations, and codes;

(4) Franchisor has received a copy of the approved and fully executed lease and Lease Rider;

(5) You have obtained a certificate of occupancy and any other required health, safety, or fire department certificates;

(6) You shall comply with all federal, state, and local laws, codes, and regulations, including the applicable provisions of the ADA, regarding the Approved Location. In the event you receive any complaint, claim, other notice alleging a failure to comply with the ADA, you shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof;

(7) You have certified to Franchisor in writing that the installation of all items of furnishings, fixtures, equipment, signs, computer terminals, and related equipment, supplies, and other items has been accomplished in accordance with the Standards and governing law;

(8) Your Designated Manager and at least one Owner has attended and successfully completed Franchisor's initial training program and you have hired and trained your personnel in accordance with the requirements of this agreement, including without limitation ensuring that your personnel have obtained all required safety training and certifications;

(9) Franchisor has been furnished copies of all insurance policies required by Article 16 of this Agreement, and all such insurance is in full force and effect;

(10) You have executed and delivered to Franchisor the Telephone Number Assignment Agreement attached hereto as Attachment F;

(11) You have executed and delivered to Franchisor the ACH Agreement attached hereto as Attachment H for the Franchisee entity operating under this Franchise Agreement;

(12) You have obtained initial inventory of supplies to open, and paid any amounts due to Designated Suppliers, or Franchisor or Affiliate;

(13) you have satisfied all bonding, licensing, and other legal requirements for the lawful operation of your Sylvan Learning business, including, without limitation, by ensuring that your planned membership offerings follow the Center's opening and your forms of membership agreement comply with governing law;

(14) you have conducted or are conducting the Grand Opening advertising according to our Standards; and

(15) You have complied with all other of Franchisor's pre-opening requirements, conditions, and procedures (including, without limitation, those regarding pre-opening scheduling, training, and communications) as set forth in this Agreement, the Manuals, and/or elsewhere in writing by Franchisor.

C. Pre-Opening Assistance.

Franchisor will provide consultation and advice to you regarding: (1) development and operation of the Franchised Business; (2) building and layout, furnishings, fixtures, and equipment plans and specifications; (3) qualifications and training requirements for various personnel roles required for the operation of the Franchised Business in accordance with the Standards; (4) purchasing and inventory control; and such other matters as Franchisor deems appropriate. If this Agreement is being signed in conjunction with your development and operation of your first Sylvan Learning business, Franchisor will make available one member of Franchisor's training staff to provide you two to three days of remote or on-site opening assistance, at our discretion. There is no additional fee for such assistance for the first Sylvan Learning business you develop, but if such assistance is provided with respect to the second or any subsequent Sylvan Learning business developed by you or your Affiliate, or if Franchisor deems necessary or you request that Franchisor provide additional members of its training staff to provide on-site opening assistance (subject to availability of personnel), then in each such case, Franchisor may charge, and you agree to pay, its then-current training fee for such on-site assistance, including reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such on-site opening assistance, including travel, accommodations and meals for the trainer(s) providing such

assistance. If you request more than one member to assist you with pre-opening or provide additional training, Franchisor shall charge the then-current training fee per day per each additional member requested, as well as reimbursement of Franchisor for its out-of-pocket costs incurred in connection with providing such assistance.

D. Ongoing Assistance.

Franchisor periodically, as it deems appropriate, will advise and consult with you regarding the operation of your Franchised Business, and provide to you its knowledge and expertise regarding the System and pertinent new developments, techniques, and improvements in business management, sales promotion, service concepts, and other areas. Franchisor may provide these services through visits by Franchisor's representatives to the Franchised Business, the distribution of printed or filmed material, or electronic information, meetings, or seminars, telephone communications, email communications, or other communications.

6. FEES

A. Initial Franchise Fee.

Upon execution of this Agreement, you shall pay Franchisor an Initial Franchise Fee in the amount specified in the Summary Page. Franchisee acknowledges and agrees the Initial Franchise Fee is fully earned by Franchisor when paid and is not refundable. In the event any Initial Franchise Fee discounts were applied because one of the Owners is a veteran, and if the veteran who was the basis of such veteran's incentive is no longer an Owner for any reason, other than death or disability, then, at the fifth anniversary of the Effective Date or upon any transfer, Franchisee shall reimburse Franchisor the entire amount of the discount applied to the Initial Franchise Fee.

The Initial Franchise Fee shall be paid in full upon the execution of this Agreement, subject to any applicable development fees that Franchisee previously paid to Franchisor pursuant to a separate development agreement and which may be applied against the Initial Franchise Fee under the terms of such development agreement.

B. Royalty Fee.

You shall pay to Franchisor a nonrefundable and continuing monthly Royalty Fee in the amount specified in the Summary Page for the right to use the System and the Proprietary Marks, as they may be amended by Franchisor from time to time, at the Franchised Business location and in connection with the operation of the Franchised Business. The Royalty Fee for Gross Sales generated on all Sylvan programs, except for the Sylvan Edge and ACE IT! System (defined in Section 11.V.), shall be 11% of monthly Gross Sales. The Royalty Fee for Gross Sales generated on the Sylvan Edge and ACE IT! System shall be 12% of monthly Gross Sales, which Franchisee shall report separately pursuant to Franchisor's then-current procedures. In each quarterly period, Franchisee shall be required to meet a minimum of $~~8,000~~5,500 (the "Minimum Royalty") in Royalty Fees paid to Franchisor, which shall include Royalty Fees assessed on the Sylvan Edge and ACE IT! System Gross Sales. If Franchisee does not submit at least the Minimum Royalty in routine payments of the Royalty Fee per quarter, then Franchisee shall submit the difference between the actual Royalty Fees paid and the Minimum Royalty upon invoice by Franchisor. The Minimum Royalty assessment shall be waived for the first 180 days after the Opening Date of the Franchised Business.

C. Administrative Fees.

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

(1) Call Center. If Franchisor establishes or designates a centralized call center for Sylvan Learning businesses operating in the United States ("Call Center"), you must pay Franchisor or the

designated provider the then-current fee for Call Center services (the "Call Center Fee") pursuant to the selection on the Summary Page. Both the services and the associated fee may be revised from time to time, subject to Section 11.U. The Call Center program may include commissions paid to the Designated Supplier for scheduling classes, soliciting prospective customers, and soliciting and booking special events for the Franchised Business. Policies and procedures related to bookings through the Call Center, including your obligations with respect to such bookings and related commissions, will be set forth in the Manual, as it may be amended by Franchisor from time to time. Fees that are collected by Designated Suppliers of services related to the Call Center are established by such Designated Suppliers and will vary depending on the number of licenses provided to your Franchised Business and the overall number of licenses provided to Sylvan Learning businesses operating in the United States. Franchisor reserves the right to appoint its Affiliate to serve as Designated Supplier of the Call Center.

(2) Membership Program. All Membership Program fees, pursuant to Section 11.R~~.~~ below, you collect from members will be included in your Gross Sales and subject to the monthly Royalty Fee~~.~~ and other applicable fees. You are obligated to participate in such Membership Program (as defined in Section 11.R) in accordance with the terms set forth in this Agreement and the Manual. In connection with Franchisor's administration of such Membership Program, if required, you will pay to Franchisor your pro rata share of costs incurred in connection with operating the Membership Program (including reconciliation, collections management, and hosting the Membership Program software and mobile applications (if any).

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

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

D. National Advertising Fund.

Upon 30 days' notice to Franchisee, Franchisor may implement, and thereafter will administer and control the National Advertising Fund ("NAF") for Sylvan Learning businesses in the United States. You will pay to Franchisor a continuing, non-refundable monthly contribution of up to 5% of monthly Gross Sales derived from all services other than ACE IT! and Sylvan Edge programs ("NAF Contribution") to the NAF. Franchisor reserves the right to suspend collection of the NAF Contribution, or lower or increase the NAF Contribution at any time as indicated in the Manual or by other written notice, provided that (i) the NAF Contribution will not exceed 5% of Gross Sales; and (ii) Franchisor provides Franchisee at least 30 days' notice of any increase from the then-current NAF Contribution collected before such noticed increase to the NAF Contribution goes into effect.

E. Conferences.

Franchisor may, at its sole option, conduct conferences to discuss System developments including operational efficiency, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs, merchandising procedures, and such other matters as Franchisor may identify. Attendance at all such conferences by at least one Owner and a Designated Manager is mandatory. If you are currently in default of this Agreement then Franchisor may, at its option, prohibit you and your Designated Manager's attendance at such conferences. You are responsible for all costs and expenses associated with attendance including, without limitation, compensation, travel, accommodations, wages, and meals for conference attendees. Franchisor reserves the right to charge a conference fee up to $1,500 per attendee, which is subject to adjustment upward in an amount equal to

the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year, which is due upon Franchisor's invoice to you. If your attendance is required and you fail to attend or send a representative in your place to attend the conference, then Franchisor reserves the right to charge you a conference materials fee of $~~1,000~~1,500 to provide you the training materials from the conference in a format of Franchisor's choosing.

F. Payment for Products and Services.

You agree to pay Franchisor and/or its affiliates for all purchases of merchandise, equipment, supplies, and services from Franchisor and its affiliates, in accordance with the seller's then-current prices, terms and conditions of sale, and credit policies for Sylvan Learning businesses. Franchisor and its affiliates reserve the right to refuse orders from or deny delivery of products and services to any Sylvan Learning business with a past due balance. Franchisor and its affiliates have the right to change their prices, terms and conditions of sale, and credit policies on reasonable notice.

G. Payment Method.

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

For the sake of clarity, you must include in Gross Sales all revenue you receive in connection with the operation of the Franchised Business, including without limitation disbursements you receive from any third party sales platform (e.g. Groupon), in each case whether authorized or unauthorized (provided, Franchisor's acceptance of fees paid by Franchisee in connection with unauthorized programs or third party service providers will not constitute a waiver of any right or remedy of Franchisor under this Agreement or governing law). If you have not reported to Franchisor Gross Sales for any reporting period, Franchisor will transfer from the Account an amount calculated in accordance with its estimate of the Franchised Business' Gross Sales during the reporting period, which estimate may be based on, among other things, historical financial performance of the Franchised Business or current and historical performance of other franchisees. If, at any time, Franchisor determines that you have underreported Gross Sales or underpaid the Royalty Fee or other amounts due to Franchisor under this Agreement, or any other agreement, Franchisor shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited against future Royalty Fees and other payments due under this Agreement.

In connection with the payment by electronic funds transfer, you shall: (1) comply with procedures specified by Franchisor in the Manual or otherwise in writing; (2) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 6.G.; (3) give Franchisor an authorization in the form of Attachment H or as otherwise designated by Franchisor to initiate debit entries and credit correction entries to the Account for payments of the Royalty Fee and other amounts payable under this Agreement, including any interest charges; and (4) make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof.

In addition to those fees payable to Franchisor set forth in this Article 6 and elsewhere in this Agreement, Franchisor may, upon notice to Franchisee and at its option, collect payments due to certain Designated Suppliers of goods and services the Franchisee is required to purchase pursuant to the Standards in connection with the development and operation of the Franchised Business via the electronic funds transfer program and may remit such collected amounts to the Designated Suppliers directly. Such payment on behalf of Franchisee does not constitute a guarantee by Franchisor of any obligation of Franchisee to such Designated Suppliers, and Franchisee will remain fully liable for all such obligations.

Notwithstanding the provisions of this Section 6.G., Franchisor reserves the right to modify, at its option, the method by which you pay the Royalty Fee and other amounts owed under this Agreement, including interest charges, upon receipt of written notice by Franchisor. Your failure to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to Article 18. You shall not be entitled to set off, deduct, or otherwise withhold any Royalty Fees, interest charges, or other monies payable to Franchisor under this Agreement on grounds of any alleged nonperformance by Franchisor of any of its obligations or for any other reason.

H. Interest~~; Non-Sufficient Funds Charge~~.

Any payments not received by the Due Date will accrue interest at the rate of 18% per annum or the highest lawful interest rate permitted by the jurisdiction in which the Franchised Business operates, whichever is less. ~~If any check, draft, electronic or otherwise, is returned for nonsufficient funds, you shall pay to Franchisor a nonsufficient funds charge in an amount determined by Franchisor, but not to exceed $100 per transaction or the maximum allowed by governing law and shall reimburse Franchisor for all expenses that it incurs on account of such nonsufficient funds.~~

I. Taxes.

Any and all amounts expressed as being payable pursuant to this Agreement are exclusive of any applicable taxes. You are obligated to pay all federal, state, and local taxes, including without limitation sales, use and other taxes, fees, duties, and similar charges assessed against you. **You are responsible for and must indemnify and hold Franchisor and its Indemnitees (as defined in Section 20.B.) harmless against any penalties, interest and expenses incurred by or assessed against Franchisor as a result of your failure to withhold such taxes or to timely remit them to the appropriate taxing authority.** You agree to fully and promptly cooperate with Franchisor to provide any information or records it requests in connection with any application by Franchisor to any taxing authority with respect to you.

J. Partial Payments.

No payment by you or acceptance by Franchisor of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payments of a lesser amount than due with an endorsement, statement, or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect and Franchisor may accept the partial payments without prejudice to any rights or remedies it may have against you. Acceptance of payments by Franchisor other than as set forth in this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement shall not constitute a waiver of Franchisor's right to demand payment in accordance with the requirements of this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement or under governing law. Notwithstanding any designation by you, Franchisor shall have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, purchases from Franchisor or its Affiliates, interest, or any other indebtedness. Franchisor has the right to accept payment from any other entity as payment by you. Acceptance of that payment by Franchisor will not result in that other entity being substituted as franchisee under this Agreement.

K. Collection Costs and Expenses.

You agree to pay Franchisor on demand all costs and expenses incurred by Franchisor in enforcing the terms of this Agreement including, without limitation, collecting any monies that you owe to Franchisor. These costs and expenses include, without limitation, costs and commissions due a collection agency, attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Business, court costs, expert witness fees, discovery costs, and attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

L. Pre-Opening Gross Sales.

If Franchisor approves your Franchised Business to engage in pre-opening sales of memberships, including advance Membership Program sales, then such pre-opening sales will be conducted in accordance with the Standards set forth in the Manual. In such case, Franchisee will pay Franchisor a Royalty Fee, ~~Marketing~~Membership Program Fee, NAF Contribution, and such other fees payable to Franchisor under this Article 6 in accordance with the terms and conditions described above on all Gross Sales of the Franchised Business in connection with such pre-opening sales.

M. Designated Accountants and Fees.

If required by Franchisor, Franchisee shall use a certified public accountant service designated or approved by Franchisor for bookkeeping and financial records management of the Franchised Business. Franchisee shall pay such service provider or Franchisor, as directed by Franchisor, a fee for these services for each month in such amount as the service provider or Franchisor may periodically designate.

N. No Subordination.

Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the Royalty Fees and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

7. RECORDKEEPING AND REPORTS

A. Recordkeeping.

You agree to use computerized cash and data capture and retrieval systems that meet Franchisor's specifications and to record Franchised Business sales electronically or on tape for all sales at or from the Franchised Business premises. You shall keep and maintain, in accordance with any procedures set forth in the Manual, complete and accurate books and records pertaining to the Franchised Business in the format and using the accounting software that Franchisor requires. Your books and records shall be kept and maintained using generally accepted accounting principles in the United States ("GAAP"). You shall preserve all of your books, records, and state and federal tax returns for at least five years after the later of preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to Franchisor within five days after Franchisor's written request. Upon Franchisor's request, you shall provide all organizational documents of the Franchisee, your lease for the Approved Location, and such other records as Franchisor may reasonably require.

B. Periodic Reports and Retention of Records.

You shall, at your expense, submit to Franchisor in the form prescribed by Franchisor a monthly profit and loss statement and balance sheet (both of which may be unaudited). Each statement and balance sheet shall be signed by you, your treasurer, or chief financial officer attesting that it is true, correct, and complete and uses accounting principles applied on a consistent basis which accurately and completely reflects the financial condition of the Franchised Business during the period covered. Where Franchisor authorizes Franchisee to use the services of a third-party sales platform (e.g., Groupon), Franchisee must execute an authorization in the form prescribed by Franchisor that permits Franchisor to

access the sales made by such third party sales platform and the disbursements paid to Franchisee at least monthly. Franchisor reserves the right at adjust the frequency of required financial reporting, as published in the Manual from time to time.

With respect to the operation and financial condition of the Franchised Business, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall maintain during the entire term of this Agreement, and, for not less than seven (7) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing, including but not limited to: (i) daily transaction reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements and weekly payroll journal and schedule; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) suppliers' invoices (paid and unpaid); (vii) dated daily and weekly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; and (ix) such other records as Franchisor may from time to time request.

C. Other Reports.

You shall submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at times and places reasonably required by Franchisor, upon request and as specified from time-to-time in the Manual or otherwise in writing. At Franchisor's request, you shall furnish to Franchisor a copy of all federal and state income tax returns reflecting revenue derived from the operation of the Franchised Business, and copies of all sales tax returns, filed with the appropriate taxing authorities.

D. Audit Rights.

Franchisor or its designee shall have the right at all reasonable times, both during and for a period of five years after the Term, to inspect, copy, and audit your books, records, and federal, state, and local tax returns, sales tax returns and such other forms, reports, information, and data as Franchisor reasonably may designate, applicable to the operation of the Franchised Business. If Franchisor conducts an audit pursuant to this Section 7.D., you must produce all requested documents to Franchisor within 10 calendar days after Franchisor's written request; if you do not timely produce such documents, it is considered a default under Section 18.C.(16). If an inspection or audit discloses an understatement of Gross Sales, you shall pay Franchisor, within ten days after receipt of the inspection or audit report, the deficiency in the Royalty Fees plus interest (at the rate and on the terms provided in Section 6.F.) from the Due Date until the date of payment. If an inspection or audit is made necessary by your failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records, or information on a timely basis, or if an understatement of Gross Sales for the period of any inspection or audit is determined to be greater than 2%, you also shall reimburse Franchisor for the actual cost of the inspection or audit including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, accommodations, meals and compensation of Franchisor's employees or designees involved in the inspection or audit. These remedies shall be in addition to all other remedies and rights available to Franchisor under this Agreement and governing law.

Franchisor may also require you to participate in Brand-wide management and reporting systems, which you must contribute requested data and otherwise participate in. Upon execution of this Agreement, you must also execute Attachment I, the Dashboard Access Agreement, which gives you access to Franchisor's current reporting system. You may be required to participate in other systems in the future, which you must participate in and incorporate into your reporting procedures at your own cost and expense.

E. Accounting Practices.

If you fail to comply with any of the reporting requirements described in this Article 7 then Franchisor may require you to engage a bookkeeping service provider, designated or approved by Franchisor, to provide bookkeeping services for the Franchised Business for such period of time that Franchisor deems appropriate, in its sole discretion.

F. Sylvan Edge and ACE IT! System Reporting and Recordkeeping.

Franchisee shall timely and accurately report academic, operational, and financial information of the type and in the form that Franchisor identifies from time to time. Franchisor reserves the right to require Franchisee to separately account for and report the Sylvan Edge and ACE IT! System's Gross Sales in whatever procedure and process that Franchisor maintains for Sylvan Edge and ACE IT! programs.

8. TRAINING AND ASSISTANCE

A. Training.

Franchisor will provide an initial training program at its headquarters or such other location as Franchisor may designate at designated times throughout the year. At least one Owner and your Designated Manager must complete Franchisor's initial training program before you open your Franchised Business, and no later than six (6) months from the Effective Date at one of these designated times indicated by Franchisor. An Owner, your Designated Manager, and such other of your management personnel (such as a general manager) as Franchisor may reasonably require must attend and successfully complete the initial training program. There is no charge for up to two individuals (including the Designated Manager) to attend the initial training program if completed timely. If you and your Designated Manager are unable to complete the initial training program satisfactorily by the required time period, and Franchisor provides you the initial training off its designated training schedule, you must pay Franchisor an initial training fee of $1,000 ("Initial Training Fee") to compensate Franchisor for its costs related to proving such initial training program separately. "Designated Manager" means the individual identified in Attachment C and that satisfies the requirements and conditions set forth in Section 11.L. At your request, Franchisor may permit additional individuals to attend the same training program (subject to certain conditions, as set forth in the Manual), provided there is availability for additional participants in the training program and, if approved, you pay to Franchisor its then-current training fee as published in the Manual from time-to-time. If Franchisee is other than an individual, Franchisor may require (in addition to the training of the key personnel identified in Attachment C and the Designated Manager) that any or all owners of beneficial interests in Franchisee (each a "Owner"), who are individuals and own more than a ten percent (10%) beneficial interest in Franchisee, to attend and successfully complete, to Franchisor's satisfaction, such portions of the initial training program as determined by Franchisor appropriate for Owners not involved in the day-to-day operations of the Franchised Business.

Your Designated Manager, general manager, and other Franchised Business personnel shall attend and successfully complete to Franchisor's satisfaction all safety training courses and programs that Franchisor requires from time-to-time, including, without limitation, all training that may be required by the state or local municipality where your Franchised Business is located, and shall maintain such certifications at all times throughout the Term. Franchisor may charge, and you agree to pay, the then-current training fee or tuition for all safety training courses and programs that it provides plus, when applicable, reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such training, including travel, accommodations and meals for the individual(s) providing such training.

Your Designated Manager shall be responsible for training your employees in all aspects of Franchised Business operations in accordance with the Standards set forth in the Manual. If Franchisor determines that the training provided by Franchisee or Designated Manager does not satisfy Franchisor's

standards and requirements, or that any newly trained individual is not trained to Franchisor's standards, then Franchisor may require that such newly trained individual(s) attend and complete an initial training program provided by Franchisor prior to the opening of the Franchised Business.

Franchisor may, in its sole discretion, require your Designated Manager and other of your management personnel to attend and complete, to Franchisor's satisfaction, such other additional and remedial training as Franchisor may from time-to-time reasonably deem necessary. By way of example and not limitation, remedial training may be required if you repeatedly fail to comply with the quality and service Standards set forth in the Manual, fail to comply with reporting requirements of this Agreement or receive significant customer complaints. Franchisor may charge, and you agree to pay, the then-current training fee for each day of additional or remedial training provided plus, when applicable, reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such training, including travel, accommodations and meals for the individual(s) providing such assistance.

You are responsible for all costs and expenses of complying with Franchisor's training and certification requirements including, without limitation, tuition, fees (including training fees which Franchisor may collect on Designated Supplier's behalf, as defined in Section 11.C.), and registration costs, as well as compensation, travel, accommodations, and meals for all personnel who participate in the training.

You agree that if accreditation for supplemental education programs or services is available from an accrediting body or organization, you will comply with the standards necessary to attain and maintain such accreditation.

Franchisor's training program is intended to maintain and protect the Proprietary Marks and System and not to control the day-to-day operations of the Franchised Business. Franchisor's training program may consist of on-the-job instruction on basic business procedures, equipment operation and maintenance, scheduling, basic accounting principles, computer operations, advertising and promotion, purchasing procedures, customer safety, inventory and cost control, customer service, janitorial service, general maintenance, and other topics selected by Franchisor (excluding topics relating to labor relations and employment practices). If Franchisee, its Designated Manager, or Franchisee's manager does not successfully complete the required training program, then such person will not be permitted or authorized to participate in the operation of the Franchised Business.

B. New or Replacement Designated Manager.

In the event that Franchisee's Designated Manager ceases active employment in the Franchised Business, Franchisee shall enroll a qualified replacement who is reasonably acceptable to Franchisor in Franchisor's training program reasonably promptly following cessation of employment of said individual. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for any such training conducted by Franchisor. In the alternative, with respect to training a replacement Designated Manager, Franchisee may train such replacement(s) in accordance with Section 8.C. below. The replacement Designated Manager and/or any required managers shall complete the initial training program as soon as is practical and in no event later than any time periods as Franchisor may specify from time to time in the Manuals and otherwise in writing. Franchisor reserves the right to review any Franchisee trained personnel and require that such persons attend and complete, to the satisfaction of Franchisor, the initial training program offered by Franchisor at a location designated by Franchisor.

C. Training by Franchisee of Additional or Replacement Managers.

Franchisee shall have the option of training any additional Designated Manager (following the training of the first Designated Manager by Franchisor) at the Franchised Business or other Sylvan Learning Businesses operated by Franchisee or its Affiliates, provided that Franchisee is in compliance with all agreements between Franchisee and Franchisor and further provided that the training is

conducted: (a) by the Designated Manager or other personnel who has completed Franchisor's initial training program to the satisfaction of the Franchisor (and who remains acceptable to Franchisor to provide such training) and (b) in accordance with any requirements or standards as Franchisor may from time to time establish in writing for such training. In the event Franchisor conducts such training, Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for training.

D. Refresher Training.

Subject to Section 8.G., Franchisor may also require that Franchisee or its key personnel or Designated Manager attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time.

E. Training Costs.

All expenses incurred in connection with training, including without limitation, the costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by Franchisee.

F. Location of Training.

All training programs shall be at such times as may be designated by Franchisor. Training programs shall be provided at Franchisor's headquarters and/or such other locations as Franchisor may designate.

G. Additional Training.

If Franchisor determines, in its sole discretion, that Franchisee is in need of additional supervision or supplemental training, Franchisor may require that Franchisee receive such training from Franchisor, in which case Franchisee agrees that it shall pay Franchisor's then-current additional training fee, per diem charges, and out-of-pocket training expenses, which shall be as set forth in the Manuals or otherwise in writing. If Franchisee requests that Franchisor provide additional supervision or supplemental training or that any training programs offered or required by Franchisor, then Franchisee further agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket training expenses, set forth in the Manuals or otherwise in writing.

H. Program-Specific Training.

The training related to certain Proprietary Services, including but not limited to Sylvan Edge and ACE IT!, may be different than training related to the base programs and services you may offer. Therefore, if you choose to offer certain programs authorized by Franchisor, Franchisor reserves the right to require one Owner and the Designated Manager to attend additional training specific to such additional programs and charge you the additional training fee pursuant to Section 8.G. above. You may also be required to purchase additional supplies related to such programs, the details of which are indicated in the Manual or otherwise submitted to you in writing by Franchisor. Franchisee shall not offer such programs in the Protected Area without first successfully completing the respective program-specific training, obtaining the required program-specific materials, and obtaining Franchisor's prior written approval. Violation of this Section 8.H. constitutes a material breach of this Agreement for which Franchisor shall terminate this Agreement pursuant to Article 18.

9. MANUAL

C. Manual on Loan.

Franchisor will loan you one copy of the Manual (as defined in Attachment A of the franchise disclosure document), which may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS or other electronic media; online postings; online portal; e-mail or electronic communications; facsimiles; PDF; or any other medium capable of conveying the Manual's contents. The Manual is material because it will affect the way you operate your Franchised Business. The Manual contains detailed standards, specifications, instructions, requirements, methods, and procedures for management and operation of the Franchised Business. The Manual may also contain information relating to customer experience and service standards; customer loyalty, rewards and Membership Programs; management training and brand qualifications for personnel roles; marketing, advertising, and sales promotions, including brand strategy and positioning; maintenance and repair of the Franchised Business premises; personnel uniform standards; graphics; and accounting, bookkeeping, records retention, and other business systems, procedures, and operations. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Franchised Business strictly in accordance with the standards, specifications, methods, policies, and procedures specified in the Manuals (as supplemented, amended, or modified by Franchisor from time-to-time). The mandatory specifications, standards and operating procedures prescribed by Franchisor and communicated to Franchisee in writing as part of the Manual, shall constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include the provisions of the Manuals and all such mandatory specifications standards and operating procedures.

D. The Manual is Confidential.

Franchisee shall treat the Manuals, any other materials created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable best efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. You shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by the Franchisor. You agree to maintain the Manual at the Franchised Business, to treat the Manual as strictly confidential and proprietary, and to disclose the contents of the Manual only to those employees who have a need to know in connection with the operation of the Franchised Business.

E. Revisions to the Manual.

Franchisor, at its sole discretion, may supplement, amend, or modify the Manual from time-to-time through any of the foregoing methods of communication concerning the System to reflect changes in the image, specifications, and standards relating to developing, equipping, furnishing, and operating a Sylvan Learning business, including without limitation products and services that may be offered to customers, all of which will be considered part of the Manual and will, upon delivery to you, become binding on you as if originally set forth in the Manual or in this Agreement. You must keep your copy of the Manual current and up-to-date with all additions and deletions provided by or on behalf of Franchisor, and you must purchase whatever equipment and related services (including, without limitation, sound system, lighting, computer system, internet service, dedicated phone line, and such other hardware and software and related technology solutions and components as we may prescribe) as may be necessary to receive these communications. Franchisee expressly agrees to comply with each new or changed standard in the Manual. If a dispute relating to the contents or interpretation of the Manual develops, the master copy maintained by Franchisor at its principal offices shall control.

F. Franchisor's Property.

The Manuals shall remain the sole property of Franchisor and shall be accessible only from a secure place. Upon termination or expiration of this Agreement, you shall immediately return the Manual without retaining any copies thereof.

10. MODIFICATIONS OF THE SYSTEM

Franchisor may, at its sole option, change or modify from time-to-time the System, any components of this System, and the requirements applicable to you by means of supplements or amendments to the Manual, including, but not limited to, modifications to the Manual, the required equipment, the signage, the building and premises of the Franchised Business (including the trade dress, décor, and color schemes), the presentation of the Proprietary Marks (including requiring additional or replacement Proprietary Marks), and other characteristics to which you are required to adhere (subject to the limitations set forth in this Agreement); adoptions of new administrative forms and methods of report and of payment of any monies owed by Franchisee (including electronic means of reporting and payment); alterations of the products, services, programs, methods, standards, accounting and computer systems, forms, policies and procedures of the System; and additions to, deletions from, or modifications to the products and services your Franchised Business is authorized or required to offer; and additions, changes, improvements, modifications, substitutions to, of, from, or for the Proprietary Marks or copyrighted materials. You must accept and implement at the Franchised Business any such changes or modifications in the System as if they were a part of the System at the time you executed this Agreement, and you must make such expenditures as the changes or modifications in the System reasonably require.

Because enhancing the Brand's competitive position and consumer acceptance for the Brand's products and services is a paramount goal of Franchisor and its franchisees, and because this objective is consistent with the long-term interest of the System overall, Franchisor may exercise certain rights, to the fullest extent permitted by then-governing law, with respect to pricing of products and services offered for sale at Sylvan Learning businesses, including, but not limited to, establishing policies with respect to the maximum and minimum retail prices which you may charge customers of your Franchised Business. Franchisor further reserves the right to establish price promotions or package promotions, gift card programs, loyalty programs, and other supplemental marketing programs, which may directly or indirectly impact your retail prices, and in which Franchisor may compel you to participate. Franchisor may engage in any such activity periodically or throughout the Term and may engage in such activity in some geographic areas but not others, or with regard to certain subsets of franchisees but not others.

You acknowledge that because uniformity may not be possible or practical under many varying conditions, Franchisor reserves the right to materially vary its standards or franchise agreement terms for any franchisee, based on the timing of the grant of the franchise, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions, or any other condition which Franchisor considers important to the successful operation of the System. Except as required by governing law, Franchisor is not obligated to disclose any variation or to grant the same or a similar variation to you.

If you develop any new concepts, processes, or improvements relating to the System, whether or not pursuant to a test authorized by Franchisor, you must promptly notify Franchisor and provide Franchisor with all information regarding the new concept, process, or improvement, all of which will automatically become the sole and exclusive property of Franchisor and its Affiliates, and which Franchisor and its Affiliates may incorporate into the System without any payment or other consideration to you. You, on behalf of yourself and your owners and all personnel, hereby irrevocably assign all rights in any new concepts, process or improvements relating to the System, and any derivative thereof, to Franchisor or any of its Affiliates, at Franchisor's option, and will execute and deliver all such additional instruments and documents as Franchisor may request to evidence the assignment and Franchisor's or its Affiliate's ownership of such new concept, process or improvement relating to the System.

Franchisee shall not implement any change to the System (including the use of any product or supplies not already approved by Franchisor) without Franchisor's prior written consent. Franchisee acknowledges and agrees that, with respect to any change, amendment, or improvement in the System or use of additional product or supplies for which Franchisee requests Franchisor's approval: (i) Franchisor shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, (ii) Franchisor shall not be obligated to approve or accept any request to implement change, and (iii) Franchisor may from time to time revoke its approval of a particular change or amendment to the System, and upon receipt of written notice of such revocation, Franchisee shall modify its activities in the manner described by Franchisor.

At all times, Franchisee shall update, upgrade, maintain, replenish, re-equip, replace~~,~~ and recondition ~~Franchisee's~~ supplies~~,~~ and~~, if applicable,~~ the premises of the ~~Approved Location,~~Franchised Business as specified by Franchisor, in the Operations Manual and as modified by Franchisor from time to time. At Franchisor's sole discretion, starting at or about the 5th anniversary of the Opening Date, Franchisor may inspect the Franchised business to determine the areas of the premises of the Franchised Business that Franchisor determines require upgrade, replacement, maintenance, or reconditioning. Franchisee shall be required to perform such Franchisor required updates to the Franchised Business within the then-prescribed timeframe and bear the cost of such updates to the Franchised Business. Upon completion of such refurbishment to the Franchised Business, Franchisor may require Franchisee to conduct Refresh Grand Opening (defined below in Section 15.B.). **NOTWITHSTANDING THE FOREGOING, FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE FOREGOING RELATES TO BRAND STANDARDS AND SPECIFICATIONS ASSOCIATED WITH THE PROPRIETARY MARKS AND THE SERVICES AND THAT, AT ALL TIMES, FRANCHISEE IS AND SHALL EXCLUSIVELY REMAIN RESPONSIBLE FOR CONDITIONS INVOLVING THE SAFETY OF CUSTOMERS.**

If Franchisee fails or refuses to initiate within 10 days after receipt of notice, and to continue in good faith and with due diligence, a bona fide program to undertake and complete required maintenance or refurbishing of the Approved Location and equipment that, in Franchisor's sole discretion, is necessary to prevent a negative impact upon the goodwill associated with the Proprietary Marks and/or the System, or for the safety of customers of the Franchised Business, then Franchisor has the right, but is not obligated, to enter upon the premises of Approved Location and effect maintenance and refurbishing on Franchisee's behalf, and Franchisee must pay the entire cost to Franchisor on demand. In lieu, Franchisor may also require Franchisee to shutter the Franchised Business until such required maintenance or refurbishment is conducted according to Franchisor's specifications.

11. PERFORMANCE REQUIREMENTS

A. Best Efforts.

You or Your Designated Manager (see Section 11.L. below) must use full time and best efforts in the operation of the Franchised Business and must personally supervise the day-to-day operation of the Franchised Business.

B. Standards, Specifications and Procedures.

You agree to comply with all System specifications, standards, and operating procedures (whether contained in the Manual or any other written communication, or communicated in training) relating to the appearance, operation, customer experience, function, safety and cleanliness of a Sylvan Learning business, including without limitation:

(1) ~~(1)~~ the types of programs offered;

(2) ~~(2)~~ uniformity, pricing and type of all products and services offered for sale at the Franchised Business;

(3) ~~(3)~~ sales and marketing procedures and customer service;

(4) ~~(4)~~ advertising and promotional programs;

(5) ~~(5)~~ Membership Programs (including compliance with the terms and formats of membership agreements in the form prescribed by Franchisor), customer loyalty programs and gift card programs (Customer Card Programs);

(6) ~~(6)~~ layout, décor, and color scheme of the Franchised Business and Approved Location;

(7) ~~(7)~~ qualification and training of personnel;

(8) ~~(8)~~ submission of requests for approval of brands of products, supplies, and suppliers;

(9) ~~(9)~~ use and illumination of signs, posters, displays, standard formats, and similar items;

(10) ~~(10)~~ use of audio equipment and type and decibel levels of music;

(11) ~~(11)~~ use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements);

(12) ~~(12)~~ types of fixtures, furnishings, computer systems, equipment, small wares, and packaging; ~~and (13)~~

(13) conducting internal and third-party periodic inspections of the premises of the Franchised Business to ensure compliance with Standards, and report the results of such inspections to Franchisor as required and address any compliance issues promptly; and

(14) the make, type, location, and decibel level of any game, entertainment, or vending machine. Mandatory specifications, standards, and operating procedures, including upgraded or additional equipment (including Computer Systems, as defined below) that Franchisor prescribes from time-to-time in the Manual or otherwise communicates to you shall constitute provisions of this Agreement as if fully set forth in this Agreement.

Such System specifications may include brand specifications ("Approved Brands"), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands. Franchisor may from ~~time-to-time~~time to time modify its specifications, and you shall promptly comply with all such modifications.

C. Designated Suppliers and Distributors.

You must purchase from us, our Affiliate, or from suppliers or distributors we designate (each a "Designated Supplier") all of your requirements for developing, constructing, and operating the Franchised Business including, but not limited to: (1) fixtures, furniture ~~and other furnishings~~, equipment, ~~supplies, point-of-sale systems, merchant processing systems,~~interior and exterior signs, items of décor, architect services, paper products, and ~~architect services~~food and beverage products; (2) uniforms, shirts, and all other merchandise and items intended for retail sale (whether or not bearing our Proprietary Marks), including but not limited to merchandise to satisfy monthly purchasing requirements; (3) advertising, point-of-purchase materials, digital marketing services, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance policies from our Designated Supplier (which may be us or an Affiliate) and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier, if applicable; (9) ~~reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, (11) architect, (12) music providers, and (13~~general contractor; (10) human resource information system and/or payroll system; (11) replacement parts for required equipment; (12) point-of-sale systems, merchant processing systems, and other related systems; (13) licenses to the point of sale, merchant processing, and other software programs that we designate, (14) music license, (15)

safety signage; (16) technology solutions (e.g., franchise management system, computer equipment) identified by us; (17) certain support services related to the operation of your Franchised Business, including the accounting systems and third party accounting services that we prescribe; and (18) other products and services that we require. We reserve the right to modify, add, and discontinue use of such suppliers or distributors at any time at our sole discretion. You agree to promptly comply with all such requirements within our designated timeframe, and at your sole expense.

Franchisor may, at its sole option, enter into supply contracts either for all Sylvan Learning businesses or a subset of Sylvan Learning businesses situated within one or more geographic regions (each a "Systemwide Supply Contract"). Franchisor may enter into Systemwide Supply Contracts with one or more vendors of products, services, or equipment and may require all company-owned and franchised Sylvan Learning businesses in a geographic area to purchase from or use such vendors. If Franchisor enters into such Systemwide Supply Contracts, then immediately upon notification, you must purchase or use the specified product, service, or equipment, as applicable, only from the Designated Supplier for such Systemwide Supply Contract; provided, however, that if at the time of such notification, you are already a party to a non-terminable supply contract with another vendor or supplier for the designated product, service, or equipment, then your obligation to purchase from or use Franchisor's Designated Supplier under the Systemwide Supply Contract will not begin until the scheduled expiration or earlier termination of your pre-existing supply contract. Franchisor makes no representation that it will enter into any Systemwide Supply Contracts or other exclusive supply arrangements or, if it does, that you will not otherwise be able to purchase the same products or services at a lower price from another supplier. Franchisor may add to, modify, substitute, or discontinue Systemwide Supply Contracts or exclusive supply arrangements in the exercise of its sole discretion and business judgment. If Franchisor enters into a Systemwide Supply Contract or such other contracts with a Designated Supplier (e.g., point-of-sale systems, merchant processing, music licenses, Membership Programs), then you agree to pay Franchisor on a monthly basis (via ACH or Franchisor's then-current electronic payment program and on the Due Date for the Royalty Fee collected under this Agreement), or such other basis as reasonably determined by Franchisor, your pro rata share of such payments due to such Designated Supplier under the Systemwide Supply Contract regardless of whether there is a participation agreement or similar agreement in effect to which you are a party.

Franchisor may also establish commissaries and distribution facilities owned and operated by Franchisor or its Affiliate that Franchisor may deem a Designated Supplier. Franchisor may receive money or other benefits, such as rebates or conference sponsorships, from Designated Suppliers based on your purchases; you agree that Franchisor has the right to retain and use all such benefits as it deems appropriate, in its sole discretion. Franchisor and its Affiliates and have the right to derive revenue—in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments—from suppliers that we designate, approve, or recommend for some or all Sylvan Learning franchised businesses on account of those suppliers' prospective or actual dealings with your Franchised Business and other Sylvan Learning franchised businesses. That revenue may or may not be related to services we and our affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees' purchases from those suppliers, will be our and our Affiliates' exclusive property, which we and our Affiliates have the right to retain and use without restriction for any purposes we and our Affiliates deem appropriate. Any products or services that we or our Affiliates sell you directly may be sold to you at prices exceeding our and their costs.

Franchisor may approve one or more suppliers for any products and services and may approve a supplier only as to certain products and services. Franchisor may concentrate purchases with one or more suppliers or distributors to obtain lower prices and the best advertising support and services for any group of Sylvan Learning businesses or any other facilities franchised or operated by Franchisor or its Affiliates. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, corporate

social responsibility policies or other criteria as set forth in the Manual, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by Franchisor.

If you propose to purchase from a previously unapproved source, you shall submit to Franchisor a written request for such approval or shall request the supplier to submit a written request on its own behalf. Franchisor has the right to require, as a condition of its approval, that its representatives be permitted to sample the product and inspect the supplier's facilities, and that such information, specifications, and samples as Franchisor reasonably requires be delivered to Franchisor and to an independent, certified laboratory designated by Franchisor for testing prior to granting approval. A charge not to exceed the actual cost of the inspection and product testing and the actual cost of the test shall be paid by you ("Supplier Testing Fee"). Franchisor will notify you within 120 days of your request as to whether you are authorized to purchase such products from that supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such Designated Supplier and to revoke its approval of any supplier upon the suppliers' failure to meet Franchisor's criteria for quality and reliability.

D. Authorized Products and Services.

You shall cause the Franchised Business to offer all products and services that Franchisor requires and only offer the products and services that Franchisor has authorized in writing. For the sake of clarity, you may not "co-host" programs at your Franchised Business (e.g., after-school programs and children's camps organized by third party service providers for which the Franchised Business serves as a "host venue") without Franchisor's prior written authorization. Franchisor may add, modify, and discontinue authorized products and services at any time, in its sole discretion, and you shall promptly comply with all directives. The Franchised Business shall begin offering for sale additional, upgraded, or modified products and services and cease offering discontinued products and services within ten days of the date you receive written notice of the addition, modification, or discontinuance. All products and services offered for sale by the Franchised Business shall meet Franchisor's Standards. You shall discontinue selling and offering for sale any products and services which Franchisor shall have disapproved, in writing, even if Franchisor has previously approved its use.

ALTHOUGH APPROVED OR DESIGNATED BY FRANCHISOR, FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, FRANCHISOR DISCLAIMS ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS SUPPLIED BY ANY DESIGNATED SUPPLIER OR SUPPLIER APPROVED BY FRANCHISOR. FRANCHISOR'S APPROVAL OF OR CONSENT TO ANY PRODUCTS OR SERVICES, ANY SUPPLIER THEREOF OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM WILL NOT CREATE ANY LIABILITY TO FRANCHISOR.

With respect to party supplies, merchandise and other items required for the operation of the Franchised Business, you shall always maintain an inventory of such products sufficient in quality and variety to realize the full potential of the Franchised Business. Franchisor may, from time-to-time, conduct market research and testing to determine consumer trends and the salability of new products and services. You agree to cooperate in these efforts by participating in customer surveys and market research programs if requested by Franchisor. All customer surveys and market research programs will be at Franchisor's sole cost and expense, unless you have volunteered to participate in the survey or market research and to share your proportionate cost. You may not test any new product or service without Franchisor's prior written consent.

E. Computer Systems and Intranet/Extranet Systems.

You shall acquire and use all point-of-sale systems, computer hardware and related accessories, and peripheral equipment ("Computer Systems") that Franchisor prescribes for use by the Franchised Business and may not use any point-of-sale systems or computer hardware, accessories, or peripheral equipment that Franchisor has not approved for your use. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, and high-speed Internet connections and service.

You shall: (1) use any proprietary software programs, system documentation manuals, and other proprietary materials provided to you by Franchisor in connection with the operation of the Franchised Business; (2) input and maintain in your computer such data and information as Franchisor prescribes in the Manual, software programs, documentation, or otherwise; and (3) purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals, and materials system-wide. You shall enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner Franchisor prescribes, and pay all fees charged by third-party software and software service providers thereunder. In addition, Franchisor has the right to charge, and you agree to pay, a technology fee of up to $750 per month ("Technology Fee"). The Technology Fee is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year or in an amount equal to any increase passed on by the applicable third-party vendors. Franchisor has the right to adjust the Technology Fee upon thirty (30) days' notice to franchisees.

You acknowledge that Franchisor may independently access from a remote location, at any time, all information input to, and compiled by, your Computer System or an off-site server, including information concerning Gross Sales, purchase orders, inventory and expenditures, customer data, and any other data contained within your Computer System. You must provide Franchisor continuous, uninterrupted 24/7 independent access to the Computer System to monitor your social media, sales, receivables, and other financial and operational data Franchisor designates. There is no contractual limitation on Franchisor's right to access these records. There are no contractual limitations on Franchisor's right to access or retrieve any information contained and/or utilized by your Computer System.

You acknowledge that technology is ever changing and that, as technology or software is developed in the future, Franchisor may, in its sole discretion, require you to: (1) add to your Computer System memory, ports, and other accessories or peripheral equipment, or additional, new, or substitute software; (2) replace, update or upgrade your Computer System, including but not limited to computer hardware components and software applications as Franchisor prescribes, but not to exceed three times per calendar year.

To ensure full operational efficiency, you agree to keep your Computer System in good maintenance and repair and to make additions, changes, modifications, substitutions, and replacements to your computer hardware, accessories and peripherals, software, telephone and power lines, high speed Internet connections, and other computer-related facilities as directed by Franchisor. Upon termination or expiration of this Agreement, all computer software, disks, tapes, and other magnetic storage media shall be returned to Franchisor in good operating condition, excepting normal wear and tear. You must update the Computer System periodically according to Franchisor's then-current Standards.

Franchisor may, at its option, establish and maintain an intranet or extranet system through which members of Sylvan Learning franchise network may communicate, and through which Franchisor may disseminate updates to the Manual and other Confidential Information. Franchisor will have no obligation to establish or to maintain the intranet indefinitely and may dismantle it at any time without liability to you. Franchisor may establish policies and procedures for the intranet's use. Franchisor

expects to adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of the intranet, Franchisor can technically access and view any communication that anyone posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that you or any other individual may assert. If you fail to pay when due any amount payable to Franchisor under this Agreement, or if you fail to comply with any policy or procedure governing the intranet, Franchisor may suspend your access to any chat room, bulletin board, listserv, or similar feature the intranet includes until you fully cure the breach.

F. Sylvan Software.

(1) Software License. Subject to the terms of this Agreement, Franchisor or its designated Affiliate hereby grants to Franchisee a limited, revocable, non-exclusive, non-sublicensable, and non-transferable license to install and use the Sylvan Software related to the Franchised Business at all Centers during the Term (the "License"). Franchisee shall immediately incorporate any new or replacement Sylvan Software and is prohibited from transferring the original media and related data to any other individual or computer. All rights not expressly granted to Franchisee herein are hereby reserved by Franchisor or its designated Affiliate. Franchisee will not use any other program, software, or vendor for automated or online enrollment or related goods or services, e-mail marketing services, or customer management services other than those specified by Franchisor. "Sylvan Software" means the i) office management software that includes proprietary front desk management and point of sale system, online enrollment system, automated e-mail marketing tool, customer management system, and any other technology or software and respective updates that Franchisor may implement from time to time, and ii) any proprietary Sylvan educational software used in connection with delivering services to customers or other third parties, including but not limited to, SylvanSync, ACE IT!, and Sylvan Edge developed by Franchisor or its designated Affiliate, developed as of the Effective Date or anytime thereafter. "Extranet" refers to Franchisor's extranet made available to Franchisee, which includes password protected access. "Website" means Franchisor's website that Franchisor provides or makes available to Franchisee or otherwise uses to advertise, market, and promote Sylvan Learning businesses.

(2) Limited Use; No Reproduction; No Modification. Franchisee may use the Sylvan Software, Website, and Extranet only as expressly provided in this Agreement and the Manual. Franchisee may not copy or reproduce the Sylvan Software in any way, except to make copies necessary for the initial installation of the Sylvan Software and to maintain copies for backup and archival purposes of the Sylvan Software and all associated data as part of its cybersecurity protocol. Franchisor may reproduce, distribute, transmit, delete, publish, transfer, or commercially exploit the content located on and collected by the Sylvan Software, the Extranet, and the Website, including that supplied by Franchisee. Franchisee's modification, disassembly, reverse engineering, or attempting to decipher the source code of any portion of the Sylvan Software, or creating derivative works based on the Sylvan Software, Website, and Extranet is strictly prohibited.

(3) No Sublicense. Franchisee shall not, nor permit any party to (i) use the Sylvan Software, Extranet, or Website for the benefit of any third party, including without limitation, in an outsourcing or timesharing arrangement, or in the operation of a service bureau, or (ii) sell, lease, sublicense, distribute, or otherwise transfer (directly or indirectly) the Sylvan Software or any rights under this Agreement to any other person, firm or entity.

(4) Revocable Access to Sylvan Software, Website, and Extranet. Franchisee shall be responsible for all access to, denial of access to, and use or misuse of Sylvan Software, Website, and Extranet by any of its owners, employees, agents, and affiliates. Franchisor reserves the right to revoke Franchisee, Owners, employees, and Affiliates' access to Sylvan Software, Website, and Extranet at its own discretion, including but not limited to, breach of this Agreement.

(5) Ownership and Intellectual Property Rights. The Sylvan Software, the Website, and the Extranet are the property of the Franchisor or its Affiliate, or where designated by Franchisor, of Franchisor's authorized content suppliers. This Agreement does not grant Franchisee any title or ownership of the Sylvan Software or any content provided on or through the Website or Extranet, but only a right of limited use of the Sylvan Software, Website, and Extranet. Franchisee shall at all times keep the Sylvan Software free and clear of all claims, liens and encumbrances. Franchisor reserves all copyrights and other intellectual property, proprietary and other rights, and trade secret rights to the Sylvan Software, the Website, and the Extranet.

(6) Customer Information. You may not use the Customer Information for any purpose other than in the normal conduct of providing services at the Centers pursuant to the terms of this Agreement. You may not sell, loan, give or otherwise disclose Customer Information, including customer lists, to any party without Sylvan's prior written permission. Upon Sylvan's request, you must provide Sylvan a copy of all Customer Information in electronic or other format as designated by Sylvan. Sylvan may periodically establish policies regarding the use of the Customer Information by Sylvan franchisees, which you must follow. You hereby covenant and agree that you shall not destroy, damage, hide or take any steps so as to prevent Sylvan from receiving a true, accurate and complete copy of all Customer Information, nor shall you retain any printouts, disks or tapes containing any of the Customer Information except as set forth in this Section 11.F. You expressly affirm and agree that, upon the expiration or termination of this Agreement, your rights to Customer Information are subject to this Agreement, and you shall not use the Customer Information for any purpose following expiration or termination of the this Agreement. Nothing in this Section 11.F.(6) shall be construed to supersede or modify your post-termination obligations under this Agreement, including without limitation your covenant not to compete and your obligation not to contact former customers of the Franchised Business. Sylvan shall have the unrestricted right and ability to access to the Customer Information through the Sylvan Software, and share such Customer Information with its Affiliates. Both during and after the term of this License, Sylvan may disclose, use, and authorize others to disclose and use, the Customer Information for any purposes, including but not limited to (i) research, evaluation, and analysis in connection with the services provided in the System, and (ii) any purpose that will benefit the Sylvan System and the Sylvan brand. Neither Sylvan nor you shall use the Customer Information in any manner that would violate any applicable laws governing the security and/or privacy rights of any customer.

(7) Computer systems are vulnerable in varying degrees to computer viruses, bugs, worms, mal-ware, spy-ware, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders ("E-problems"). Franchisee shall take commercially reasonable steps so that E-problems will not materially affect its business. Franchisor does not guarantee that Sylvan Software, the Website, Extranet or other systems that it or others supply will not be vulnerable to E-problems. FRANCHISEE EXPRESSLY AGREES THAT USE OF THE SYLVAN SOFTWARE, WEBSITE, AND EXTRANET, AND SYSTEMS PROVIDED HEREUNDER IS AT FRANCHISEE'S SOLE RISK. THE SYLVAN SOFTWARE, WEBSITE, EXTRANET AND OTHER SYSTEMS ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES THAT THE SYLVAN SOFTWARE, WEBSITE, EXTRANET OR OTHER SYSTEMS WILL BE UNINTERRUPTED OR ERROR FREE, WARRANTIES OF TITLE OR NON-INFRINGEMENT OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. NEITHER FRANCHISOR NOR ANY OF ITS AFFILIATES, SERVICE PROVIDERS, EMPLOYEES, AFFILIATES, OR AGENTS (THE "FRANCHISOR GROUP") SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF USE OF THE SYLVAN SOFTWARE, WEBSITE, EXTRANET, AND OTHER SYSTEMS OR INABILITY TO USE THE SOFTWARE OR SYSTEMS OR OUT OF ANY BREACH OF ANY REPRESENTATION OR WARRANTY OR OTHER FRANCHISOR GROUP OBLIGATIONS. NONE OF THE FRANCHISOR GROUP SHALL HAVE ANY LIABILITY WHATSOEVER IN CONNECTION WITH THE LICENSE PROVIDED HEREUNDER.

G. Non-Cash Payment Systems.

Franchisor shall reserve the right to dictate the method of Franchisee's payment systems, whether it be through a Designated Supplier or through Franchisor or its Affiliate's online payment processing portal. You shall accept debit cards, credit cards, stored value cards, or other non-cash systems (including, for example, APPLE PAY, and/or GOOGLE WALLET) specified by Franchisor to enable

customers to purchase authorized products, and you shall obtain all necessary hardware and software used in connection with these non-cash systems. You will use the Designated Suppliers of such non-cash payment systems that we designate in the Manual, and we will collect your pro rata share of payments due to such Designated Suppliers in accordance with Section 11.C. related to Systemwide Supply Contracts. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Proprietary Marks and System. Accordingly, you shall cause the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Security Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information. You shall use only the non-cash payment systems approved by Franchisor, and are prohibited from accepting any currency or payment type other than U.S. currency. This prohibition extends to cryptocurrency or any other non-U.S. currency based payment systems. You shall take commercially reasonable precautions to prevent data security breaches, and to comply with breach notification statutes and other legal requirements in the event of a security breach. You are solely responsible for your own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications. **YOU SHALL DEFEND, INDEMNIFY, AND HOLD FRANCHISOR HARMLESS FROM AND AGAINST ALL CLAIMS ARISING OUT OF OR RELATED TO YOUR VIOLATION OF THE PROVISIONS OF THIS SECTION 11.G. IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B**.

Notwithstanding anything to the contrary in this Section 11.G. or anywhere else in the Agreement, Franchisor will allow Franchisee to collect cash payments in limited circumstances, such as one-time events, parent's night out, camps, and other similar events. For purposes of clarity, any recurring payments such as memberships are required to be paid by credit card, debit card, stored value cards, or other non-cash systems approved by Franchisor, except for memberships subsidized by government payments or extraordinary one-time situations. Franchisee is required to report all cash payments to Franchisor via Zendesk, or other system required by Franchisor, within a reasonable time after collection, but in no case later than 5 business days after collection of cash payments.

H. Franchisor Inspections.

Franchisor or its designees shall have the right at any reasonable time and without prior notice to you to: (1) inspect the Franchised Business premises; (2) observe, photograph, and record the operation of the Franchised Business for such consecutive or intermittent periods as Franchisor deems necessary; (3) interview Franchised Business personnel; (4) interview customers; and (5) inspect and copy any books, records, and documents relating to the operation of the Franchised Business or, upon request of Franchisor or its designee, require you to send copies thereof to Franchisor or its designee. You shall present to your customers those evaluation forms as are periodically prescribed by Franchisor and shall participate and ask your customers to participate in any surveys performed by or on behalf of Franchisor as Franchisor may direct.

You agree to cooperate fully with Franchisor or its designee regarding any such inspection, observations, recordings, product removal, and interviews. You shall take all necessary steps to immediately correct any deficiencies detected during these inspections including, without limitation, ceasing further sales of unauthorized items and ceasing further use of any equipment, advertising materials, or supplies that do not conform to the Standards and requirements promulgated by Franchisor from time-to-time. Franchisor shall have the right to develop and implement a grading system for inspections and, to the extent such a system is implemented, if the Franchised Business fails to achieve a passing score on any inspection, Franchisor may require your key personnel identified in Attachment C and other Franchised Business personnel to attend and participate in such additional training as Franchisor deems appropriate. If the Franchised Business fails to achieve a passing score on any i) three consecutive inspections, ii) two consecutive inspections involving health, safety, or sanitation, or iii) if

the Franchised Business fails to achieve a passing score three or more times in any 12-month period, Franchisor may terminate this Agreement in accordance with Article 18.

These inspections may take the form of quality assurance inspections and mystery shops. If Franchisor utilizes any of its employees, representatives, or a third-party service to conduct a quality assurance inspection or mystery shop of the Franchised Business, then the cost of same ("Compliance Review Fee") shall be borne by Franchisor, save and except in the following circumstances in which case you must reimburse Franchisor for the Compliance Review Fee: (i) the Franchisee has failed to report Gross Sales or use the approved technology systems; (ii) the Franchisee has failed to comply with brand standards related to health, safety, and sanitation; or (iii) Franchisee has failed to follow brand standards. The Compliance Review Fee shall be the actual cost of program, including purchases made as part of the mystery shop or audit. At Franchisor's request, Franchisor may require you to pay the Compliance Review Fee directly to the applicable service provider or Franchisor may collect it from you.

I. Upkeep of the Franchised Business.

You shall continuously operate the Franchised Business and shall, at all times and at your sole expense, maintain in first class condition and repair ~~(subject to normal wear and tear)~~, in good working order, in accordance with the requirements of the System, and in compliance with all governing laws and regulations, and the cleanliness of, the interior and exterior of the Franchised Business premises, including, without limitation, all furniture, fixtures, equipment~~, computer systems~~, furnishings, floor coverings, interior and exterior signage, interior and exterior finishes, and interior and exterior lighting. You shall promptly and diligently perform all necessary maintenance, repairs, and replacements to the Franchised Business premises as Franchisor may prescribe from ~~time-to-time~~time to time including periodic interior painting and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment, and décor. Franchisee shall make such changes, upgrades, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor.

Upon Franchisor's inspections pursuant to Section 11.H, Franchisor reserves the right to require Franchisee to buy and install replacement equipment for the Franchised Business that Franchisor deems necessary in its sole discretion. If Franchisee does not purchase and install such replacement parts within the Franchisor's required period, Franchisee shall be in material default of the Franchise Agreement for which Franchisor may terminate the Franchise Agreement pursuant to Section 18.C.(20). Alternatively, Franchisee agrees that Franchisor may, in its sole discretion, purchase and install or have installed on behalf of Franchisee such replacement equipment in the Franchised Business, and invoice such costs to the Franchisee, which shall be payable within the time period the Franchisor prescribes.

J. Franchised Business Operations.

You shall be the sole operator of your business. You shall cause the Franchised Business to be open and operating on the days and during the hours that Franchisor designates, which may be all seven days during the week, subject to applicable lease and local law or licensing limitations. You shall operate and maintain the Franchised Business in conformity with the highest ethical standards and sound business practices and in a manner that will enhance the goodwill associated with the Proprietary Marks.

K. Management and Personnel.

You shall employ a sufficient number of qualified, competent personnel to satisfy the demand for the products and services offered by the Franchised Business. Your key management personnel are identified in Attachment C to this Agreement. The Franchised Business must be supervised at all times by the Designated Manager, or an Owner if the Designated Manager does not have equity interest in the Franchisee. If the Designated Manager is not an Owner, then at least one Owner must be actively involved in the business' daily operations and such Owner cannot delegate ownership responsibilities to the Designated Manager or other employee. This Owner is ultimately responsible for compliance and business performance (including but not limited to compliance with the Franchise Agreement and System

standards, resourcing the business needs, accountability systems for employees, timely reporting and resolution of issues to avoid escalations to Franchisor), while day-to-day operations can remain with the Designated Manager. The Designated Manager (or an Owner if the Designated Manager does not have ownership interest in the Franchisee) must devote substantial full-time and best efforts, in person on a daily basis, to the supervision, operation, and conduct of the Franchised Business. Violation of this Section 11.K. is a material default under Section 18.C.

You shall hire all employees of the Franchised Business and be exclusively responsible for the terms of their employment and for the proper training of such employees in the operation of the Franchised Business, including without limitation with respect to customer relations. You are required to conduct such training of your employees in compliance with Franchisor's Standards, specifically Franchisor's then-current approved program content developed by Franchisor's then-current approved Sylvan Learning certified trainers. You will ensure that your personnel comply with the Standards set forth in the Manual, including compliance with Standards related to customer service and engagement. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Proprietary Marks.

Franchisor may provide recommendations to you on qualifications and skill level of certain key employees or prospective candidates. These recommendations do not constitute direction to you on whether to employ or discharge candidates, or otherwise impact your employment relationship with your employees. You retain the sole authority to make all employment decisions regarding your employees.

Further, the parties acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for you or your employees. You are exclusively and solely responsible for labor and employment-related matters and decisions related to the Franchised Business, including, but not limited to, hiring, promoting, and compensating personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages, benefits and work hours, method of payment, maintenance of employment records, for disciplining and discharging your employees, and for supervising and controlling your employee's work schedule or conditions of employment. You are exclusively responsible for labor relations with your employees. We do not require you to implement any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operations Manual or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Franchised Business. **YOU SHALL DEFEND AND INDEMNIFY FRANCHISOR AND ITS INDEMNITIES (AS DEFINED IN SECTION 20.B. BELOW) AGAINST ANY AND ALL PROCEEDINGS, CLAIMS, INVESTIGATIONS, AND CAUSES OF ACTION INSTITUTED BY YOUR EMPLOYEES OR BY OTHERS THAT ARISE FROM YOUR EMPLOYMENT PRACTICES IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.**

L. Designated Manager.

You shall designate and retain an individual to serve as your Designated Manager. The Designated Manager as of the date of this Agreement is identified in Attachment C to this Agreement. Unless waived in writing by Franchisor, the Designated Manager shall meet all of the following qualifications:

(1) He or she, at all times, shall have full control over the day-to-day activities and operations of the Franchised Business and shall devote full time and best efforts to supervising the operation of the Franchised Business (and any other Sylvan Learning businesses that you own and operate pursuant to a franchise agreement with Franchisor) and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment;

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

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

(4) He or she shall have executed and delivered to Franchisor the Undertaking and Guaranty in the form attached to this Agreement as Attachment D (or then-current form if later appointed) if he or she is an Owner with more than 10% ownership interest in you; and

(5) He or she shall have executed and delivered to Franchisor a Confidentiality and Non-Competition Agreement in the form attached to this Agreement as Attachment E (or then-current form if later appointed) if he or she is also an Owner.

If the Designated Manager ceases to serve in, or no longer qualifies for such position, you shall inform the Franchisor immediately and designate another qualified person to serve as your Designated Manager within 30 days. Franchisor reserves the right to approve or reject your replacement Designated Manager. Your approved replacement Designated Manager must successfully complete the initial training program and execute and deliver to Franchisor a Confidentiality and Noncompete Agreement in the form prescribed by Franchisor before assuming Designated Manager responsibilities. We reserve the right to charge you our then-current training fee to train your new Designated Manager. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Manager as having responsibility and decision-making authority regarding the Franchised Business's operation and Franchisee's business.

M. Signs and Logos.

Subject to any applicable local ordinances, you shall prominently display at the Franchised Business premises such interior and exterior signs, logos, and advertising of such nature, form, color, number, location, and size, and containing the content and information that Franchisor may from time-to-time direct. You shall not display in or about the Franchised Business premises or otherwise regarding the Proprietary Marks any unauthorized sign, logo, or advertising media of any kind.

N. Entertainment Equipment.

You shall not permit to be installed at the Franchised Business premises any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, or any other music, film, or video device not authorized by Franchisor.

O. Compliance with Lease and other Agreements.

Franchisee shall comply with all terms of its lease or sublease or the agreement governing its access to and use of Approved Location in which the Franchised Business operates, its financing agreements (if any), and all other agreements affecting the operation of the Franchised Business; shall undertake best efforts to maintain a good and positive working relationship with its landlord, lessor, and/or the party controlling the site in which the Franchised Business operates; and shall not engage in any activity which may jeopardize Franchisee's right to remain in possession of or access to, or to renew the lease, sublease or other agreement for, the premises of the Franchised Business.

Franchisee must at all times pay its distributors, contractors, suppliers, trade creditors, employees, lessors, lenders, tax authorities, and other creditors, promptly as the debts and obligations to such persons become due. Failure to do so shall constitute a breach of this Agreement.

P. Compliance with Laws and Good Business Practices.

You shall secure and maintain in full force in your name and at your expense all required licenses, permits, and certifications relating to the operation of the Franchised Business, including without limitation any licenses, permits, and certifications that may be required in the jurisdiction in

which the Franchised Business is located with respect to services and programs (e.g., after-school programs and children's camps) offered at your Franchised Business. You shall operate the Franchised Business in full compliance with all laws, ordinances, and regulations including, without limitation, all laws or regulations governing or relating to immigration and discrimination, occupational hazards, employment laws (including, without limitation, workers' compensation insurance, unemployment insurance, and the withholding and payment of federal and state income taxes and social security taxes) and the payment of sales taxes. All advertising and promotion for the Franchised Business shall be completely factual and shall conform to the highest standards of ethical advertising and all governing law, including truth in advertising laws. In all dealings with the Franchised Business' customers, suppliers, and the public, you shall adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You acknowledge that the quality of customer service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, you shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business, including operating in strict compliance with all applicable standards, rules, and regulations. You shall at all times give prompt, courteous, and efficient service to customers of the Franchised Business. You shall refrain from any business or advertising practices that may be injurious to the good will associated with the Proprietary Marks or to Sylvan Learning Brand, Franchisor or its Affiliates, the System, or other System franchisees.

You shall notify Franchisor in writing within five days after the commencement of: (1) any action, suit, or proceeding, or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation of the Franchised Business or your financial condition; or (2) any notice of violation of any law, ordinance, or regulation relating to health or sanitation at the Franchised Business.

Q. Payment of Taxes and Other Indebtedness.

You shall promptly pay, when due, all taxes levied or assessed by any federal, state, or local tax authority and any and all other indebtedness incurred by you in the operation of the Franchised Business. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or governing law; provided, however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business or any improvements thereon.

R. Membership Program.

Franchisor has established a multi-tier membership program for SYLVAN LEARNING® businesses (the "Membership Program"). You are obligated to participate in the Membership Program in accordance with the terms set forth in this Agreement and the Manual. All Membership Program fees you collect from members will be included in your Gross Sales and subject to the monthly Royalty Fee and other fees.

You must comply with the Standards for the Membership Program set forth in the Manuals, including Membership Program tiers, pricing, and such other terms and conditions as we may establish from time to time. We or our Designated Supplier will administer the Membership Program, and we reserve the right to modify the structure of the Membership Program and the benefits of membership at any time upon notice to you. In connection with the sale of each membership, the customer must enter into a membership agreement with us in the form prescribed by us and we reserve the right to charge each customer a setup or additional fees to be paid to us, the amount of which we may set at our sole discretion, in addition to membership fees that customers may pay directly to you.

You acknowledge that we and our Affiliates have the right, through the point-of-sale or other technology system components, or otherwise, to independent and unrestricted access to lists of the Franchised Business's members and prospects, including names, addresses and other related information

("Member Information"). If we require your participation, you must sign the Dashboard Access Agreement, attached hereto as Attachment I and pay the relevant fees, and any other reporting software that we require from time to time. We and our Affiliates may use Member Information in our and their business activities, but, during the Term, we and our Affiliates will not use the Member Information that we or they learn from you or from accessing the point-of-sale or other technology system components to compete directly with the Franchised Businesses. Upon termination of this Agreement, we and our Affiliates reserve the right to make any and all disclosures and use the Member Information in any manner that we or they deem necessary or appropriate.

S. Crisis Management Events.

Upon the occurrence of a Crisis Management Event, you must immediately inform Franchisor's President, Chief Executive Officer, or Chief Legal officer (or as otherwise instructed in the Manuals) by telephone, and to cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event. You shall also notify Franchisor immediately when you receive any media inquiries concerning the Franchised Business or Approved Location, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, and you shall direct all media inquiries to Franchisor. You must not communicate directly with the press or media, and you or your employees are prohibited from publishing your own statements on any other media, including on any social media platform. You shall follow all of Franchisor's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by the Franchisor or as specified in the Manuals, whether or not you have retained outside counsel or a public relations firm to assist with such matters.

T. Business Data.

Franchisor may, from time-to-time, specify in the Manuals or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Business, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Business, and all data created or collected by Franchisee in connection with the System (including Membership Data), or in connection with Franchisee's operation of the business (including without limitation data pertaining to or otherwise concerning the Franchised Business's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

U. Call Center.

Franchisor reserves the right to enter into an agreement with an Affiliate or a third-party service provider to establish and operate a Call Center for its franchisees that performs various functions for franchisees, including general customer support and promotion, booking, and selling related to events held at Sylvan Learning businesses. If Franchisor requires your participation, you must participate in utilizing the Call Center and choose one of the payment models indicated on the Summary Page. Franchisee shall have the option to modify its selection of Model A or Model B during the Initial Term by providing thirty (30) days' prior written notice to Sylvan. Sylvan shall invoice Licensee monthly for services provided to the Approved Location and each Additional Center under this Agreement during any portion of the preceding month; Sylvan shall not prorate the payments due under any circumstances. Payments shall be due in accordance Franchisee's obligations concerning payment of accounts as set

forth in this Agreement. Franchisee shall install such software or elect participation in online platforms that are required for participation in the Call Center.

SYLVAN DOES NOT GUARANTY OR WARRANT THAT THE SERVICES PROVIDED BY THE CALL CENTER WILL RESULT IN ANY MINIMUM VOLUME OF SALES OR ANY MINIMUM NUMBER OF CONVERSIONS FROM CALLS TO SALES, NOR THAT THE CALL CENTER WILL BE ABLE TO RESOLVE ALL ISSUES PRESENTED BY FRANCHISEES. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, ALL SERVICES ARE BEING PROVIDED BY THE CALL CENTER IS "AS IS." SYLVAN EXPRESSLY DISCLAIMS ALL REPRESENTATIONS, WARRANTIES, AND CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

V. ACE IT! Program.

(1) Franchisor has developed certain proprietary programs, systems, teaching, and management techniques to provide academic programs for students pursuant to contracts funded by third parties, such as school districts, other government entities, and not-for-profit organizations, ("Third-Party Contracts"), which are personally taught by trained instructors and which are approved to be delivered both in Sylvan Learning retail Centers and Satellites, as well as in third-party locations, such as schools and community centers, under the ACE IT! and ACE IT! TUTORING name (the "ACE IT! System");

(2) Franchisor hereby approves and grants to Franchisee the right and license during the Term to use the ACE IT! System, which includes, but is not limited to, its proprietary programs, systems, and techniques, and certain copyrighted materials, and related Proprietary Marks, to conduct the ACE IT! business in connection with retail services offered directly to consumers, as approved by Franchisor, and in connection with Third-Party Contracts with schools, other government entities, community centers, and other third party locations in the Protected Area, subject to the terms and conditions of this Agreement. Franchisor may, in its sole discretion, change, modify, delete from, supplement, improve or further develop the ACE IT! System and the services, programs, products and other components comprising the ACE IT! System from time to time, through the Manuals and any other written directives issued by Franchisor for use in the ACE IT! System, or otherwise upon written notice to Franchisee. Franchisee agrees to comply with all of Franchisor's requirements in such regard, including, without limitation, offering and selling products, programs, and services that Franchisor specifies.

(3) Franchisee may offer and use the ACE IT! System in connection with the Franchised Business at the following "Authorized Locations," which means

(i) schools and institutions within the Protected Area;

(ii) schools and institutions outside of the Protected Area, provided (a) Franchisee submits a written request to offer and use the ACE IT! System at such location and that Franchisor grants approval for such offering and use in writing to Franchisee, and (b) Franchisee agrees that Franchisee shall immediately cease offering any ACE IT! programs under this Agreement upon Franchisor's written notice for any reason; and

(iii) the Approved Location, any Additional Center(s), and Satellites(s) in the Protected Area, provided that Franchisee submits a written request to offer and use the ACE IT! System at such locations and that Franchisor grants approval for such offering and use in writing to Franchisee. Franchisor shall have no obligation to approve any request to allow Franchisee to offer the ACE IT! System in retail Centers or Satellites.

(4) Prior to commencing business operations, Franchisee shall obtain all federal, local, and state permits, licenses, certifications, and federal, state, and/or local approvals (if required) necessary to provide ACE IT! System programs. Franchisee shall also comply at all times with all educational, safety, building or other local, state and federal statutes, ordinances, regulations, codes, licensing requirements or standards applicable to education programs. Franchisee shall comply with all local, state and federal requirements relating to confidential treatment of student identities. Franchisee may not share permits, licenses, or approvals issued to another Franchisee of Franchisor or Franchisor itself. Franchisee is responsible to ensure that the Authorized Locations are aware of Franchisee's status as an independently owned and operated business requiring separate and specific permits, licenses, and approvals. Franchisee agrees that if accreditation for supplemental education programs or services offered by Franchisee is available from an accrediting body or organization, Franchisee shall attain and maintain such accreditation when designated in Manual(s) for offering the ACE IT! System.

(5) Franchisee shall establish the tuition and other charges applicable under Franchisee's Third-Party Contracts, and shall make such revenue information available to Franchisor upon request. Franchisee agrees that, in any month, it may not provide more than 5% of services under the ACE IT! System on a scholarship, reduced-fee, or no-fee basis.

12. ORGANIZATION OF THE FRANCHISEE

C. Representations.

The Franchisee is required to be a Business Entity. If the Agreement was signed under the Franchisee's individual capacity, then such individuals are required to execute the Franchisor's form of the assignment and assumption agreement assigning this Agreement to the Business Entity within 30 days of the Effective Date.

If you are a Business Entity, you make the following representations and warranties: (1) the Business Entity is duly organized and validly existing under the laws of the state of its formation; (2) it is qualified to do business in the state or states in which the Franchised Business is located; (3) execution of this Agreement and the development and operation of the Franchised Business is permitted by its governing documents; and (4) unless waived in writing by Franchisor, its charter documents and its governing documents shall at all times provide that the activities of the Business Entity are limited exclusively to the development and operation of Sylvan Learning businesses.

If you are an individual, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (1) each individual has executed this Agreement; (2) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (3) notwithstanding any transfer for convenience of ownership pursuant to Article 17 of this Agreement, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

B. Governing Documents.

If you are a corporation, copies of your Articles of Incorporation, bylaws, other governing documents, and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, must be furnished to Franchisor. If you are a limited liability company, copies of your Articles of Organization, operating agreement, other governing documents, and any amendments, including the resolution of the Managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members must be furnished to Franchisor. If you are a general or limited partnership, copies of your written partnership agreement, other governing documents and any amendments, as well as all agreements, including buy/sell agreements, among the partners must be furnished to Franchisor, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by your written partnership agreement or governing law. When any of these governing documents are modified or changed, you must promptly provide copies of the modifying documents to Franchisor.

C. Ownership Interests.

If you are a Business Entity, you represent that all of your equity interests are owned as set forth on Attachment C to this Agreement. In addition, if you are a corporation, you shall maintain a current list of all Owners, including owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If you are a limited liability company, you shall maintain a current list of all members (and the percentage membership interest of each member). One Owner must have at least 1% greater ownership interest in Franchisee than any other Owner in

Franchisee's corporate governance documents, and must have the unilateral right to make decisions concerning transfer, winding up, and other matters impacting the operation and dissolution of the Franchisee and its assets ("Executive Owner"). The Executive Owner, as named in Attachment C herein, is not required to be the Designated Manager, but may also serve as the Designated Manager. Any changes to the Executive Owner must be approved by Franchisor and captured in Franchisee's corporate governance documents, a copy of which must be provided to Franchisor. Then, the parties must execute an amended Attachment C to capture the new Executive Owner. If you are a partnership, you shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership interest of each general and limited partner). You shall comply with Article 17 of this Agreement prior to any change in ownership interests and shall execute any necessary addenda to Attachment C as changes occur to ensure the information contained in Attachment C is true, accurate, and complete at all times. You must also provide a copy of the Business Entity's EIN and execute a new ACH Authorization Agreement (Attachment H), if the EIN changes.

D. Restrictive Legend.

If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the SYLVAN LEARNING® Franchise Agreement(s) to which the corporation is a party." If you are a limited liability company, each membership or management certificate or other evidence of interest in the limited liability company shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the SYLVAN LEARNING® Franchise Agreement(s) to which the limited liability company is a party." If you are a partnership, your written partnership agreement shall provide that ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement.

E. Guarantees.

If you are a Business Entity, each Owner (and if you are a limited partnership, each of your general partner's Owners) who owns greater than 10% ownership interest in you shall execute the Undertaking and Guaranty attached hereto as Attachment D and all Owners shall execute the Confidentiality and Non-Competition Agreement attached hereto as Attachment E.

13. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY

A. Acknowledgments.

You expressly understand and acknowledge that: (1) as between you and Franchisor, Franchisor is the exclusive owner of all right, title, and interest in and to the Proprietary Marks (and all goodwill symbolized by them) and the Intellectual Property; (2) the Proprietary Marks are valid and serve to identify the System and those who are licensed to operate a Franchised Business in accordance with the System; (3) your use of the Proprietary Marks and Intellectual Property pursuant to this Agreement does not give you any ownership interest or other interest in or to them, except the nonexclusive license to use them in accordance with this Agreement and the Standards; (4) any and all goodwill arising from your use of the Proprietary Marks, Intellectual Property and the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System, Intellectual Property or the Proprietary Marks; (5) the license and rights to use the Proprietary Marks and Intellectual Property granted hereunder to you are nonexclusive; (6) Franchisor may itself use, and grant franchises and licenses to others to use, the Proprietary Marks, Intellectual Property, and the System; (7) Franchisor may establish, develop and franchise other systems, different from the System licensed to you herein, without

offering or providing you any rights in, to, or under such other systems; and (8) Franchisor may add to, eliminate, modify, supplement, or otherwise change, in whole or in part, any aspect of the Proprietary Marks or Intellectual Property.

B. Modification of the Proprietary Marks and Intellectual Property.

Franchisor reserves the right to add to, eliminate, modify, supplement, or otherwise change any of the Proprietary Marks and Intellectual Property, in whole or in part. You must promptly take all actions necessary to adopt all new and modified Proprietary Marks or Intellectual Property and discontinue using obsolete Proprietary Marks or Intellectual Property which may include, among other things, acquiring and installing, at your expense, new interior and exterior signage and graphics.

C. Use of the Proprietary Marks and Intellectual Property.

You shall use only the Proprietary Marks and Intellectual Property designated by Franchisor and shall use them only in connection with the operation and promotion of the Franchised Business and in the manner required or authorized and permitted by Franchisor. Your right to use the Proprietary Marks and Intellectual Property is limited to the uses authorized under this Agreement and in the Manual, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights and grounds for termination of this Agreement.

You shall not use all or any recognizable portion of the Proprietary Marks or the trademarks of any of Franchisor's Affiliates as part of your Business Entity or other legal name, and may not use them to incur any obligation or indebtedness on Franchisor's behalf. You shall comply with all requirements of Franchisor's and governing law and local laws concerning use and registration of fictitious and assumed names and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. You shall not use any confusingly similar trademarks in connection with the Franchise Business or any other business in which you or any Affiliate has an interest.

Franchisor reserves the right to approve all signs, memos, stationery, business cards, advertising material forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the Proprietary Marks shall be in accordance with this Agreement and the Manuals, and Franchisee shall obtain Franchisor's approval prior to such use.

Upon the expiration, termination, or non-renewal of this Agreement, Franchisee shall immediately cease using the Proprietary Marks and Intellectual Property, color combinations, designs, symbols, or slogans; and Franchisor may cause Franchisee to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination, or non-renewal, Franchisee shall not represent or imply that it is associated with Franchisor or Sylvan Learning franchise. To this end, Franchisee irrevocably appoints Franchisor or its nominee to be Franchisee's attorney-in-fact to execute, on Franchisee's behalf, any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. Franchisee acknowledges and agrees that the unauthorized use of the Proprietary Marks and Intellectual Property will result in irreparable harm to Franchisor for which Franchisor may obtain injunctive relief, monetary damages, attorneys' fees, and costs.

D. Internet and Social Media Usage.

You may not cause or allow all or any recognizable portion of the Proprietary Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator ("URL"), or meta-tag, or in connection with any Internet home page, web site, landing pages, mobile channels, or any other Internet-related activity without Franchisor's express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that Franchisor establishes. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part

of in the registration of any username on any gaming website, personal blogs or social networking website including, but not limited to, Facebook, LinkedIn, Yelp, Pinterest, Instagram, Tik Tok or X (formerly known as Twitter), or any virtual worlds, file sharing, audio sharing and video-sharing sites. You will at all times during the Term comply with our social media and networking policies which will be provided to you in the Manual, and may be modified, amended, or terminated by us at any time.

E. Customer Data.

All customer information collected by Franchisee in connection with the operation of the Franchised Business ("Customer Data"), and all revenues Franchisor derives from such Customer Data, will constitute our sole property, and be considered Confidential Information. Franchisor may use such Customer Data for any reason without compensation to Franchisee. You will assign all rights in Customer Data to us as further described in Section 13.F. You will provide copies of all Customer Data to us upon request. At your sole risk and responsibility, you may use Customer Data that you acquire solely in connection with operating the Franchised Business to the extent your use is permitted by governing law. Upon expiration, termination or transfer of your Franchise Agreement, you must immediately cease using all Customer Data and all copies of Customer Data must be returned to us and removed from your POS, computer hardware and software and any other form of electronic media or hard copy in your possession or to which you have access.

In connection with collecting, storing and using Customer Data, you will: (1) comply with all applicable privacy laws ("Privacy Laws"); (2) comply with all Standards that relate to Privacy Laws and the privacy and security of Customer Data; (3) comply with any posted privacy policy and other representations made to the individual identified by Customer Data you process and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (4) refrain from any action or omission that could cause Franchisor to breach any Privacy Laws; (5) maintain reasonable physical, technical and administrative safeguards for Customer Data and other Confidential Information that is in your possession or control in order to protect the same from unauthorized processing, destruction, modification or use that would violate the Franchise Agreement or any Privacy Law; (6) do and sign, or arrange to be done and signed, each act and document we deem necessary in our business judgment for us to maintain compliance with Privacy Laws; and (7) immediately report to us any theft or loss of Customer Data (other than the Customer Data of your own officers, directors, shareholders, employees or service providers).

You will, upon our request, provide us or representatives with: (1) information, reports and the results of any audits performed on your Franchised Business regarding your data security policies, security procedures or security technical controls related to Customer Data; and (2) access to your technology systems and related records, policies and practices that involve processing Customer Data in order to mitigate a security incident or so that an audit may be conducted.

In addition to the indemnity obligations set forth in Section 20.B. and in accordance with the indemnification procedures set forth in Article 20, you will indemnify, defend and hold us harmless from losses arising out of or relating to any theft, loss or misuse of Customer Data for your breach of any of the terms, conditions or obligations relating to data security, privacy or Customer Data set forth in this Agreement.

You will immediately notify us upon discovering or otherwise learning of any theft, loss or misuse of Customer Data. You will, at your sole cost and expense, undertake remediation efforts and reasonably cooperate in any remediation efforts undertaken by us and further will implement corrective actions to prevent the recurrence of a similar incident. You will comply with the crisis management policies set forth in the Manual in connection with any data security incident involving your Franchised Business or Sylvan Learning system and will refrain from making any public comment with respect to such incident, including without limitation communications with customers regarding such incident, except as directed by us or in accordance with governing law. You will provide all documentation and

information to us related to any incident involving the unauthorized access or use of Customer Data. Where you are required by governing law to notify customers directly about the incident, you must notify us in writing promptly after concluding that you have such a legal obligation and you will limit such notice to the customers to whom you are legally required to provide notice. You will reasonably cooperate with us in connection with any notice to customers and will assist in sending notices to such customers at our request.

F. Assignment of Rights.

In addition to your obligations set forth in Article 10 with respect to development of new concepts, modifications or improvements to the System, to the extent that you or any Owner or personnel creates any derivative work based on the Proprietary Marks or Intellectual Property ("Derivative Works"), you and each such Owner and personnel hereby permanently and irrevocably assigns to Franchisor all rights, interests, and ownership (including intellectual property rights and interests) in and to the Derivative Works, and agree to execute such further assignments as Franchisor may request. The term "Derivative Works" shall be interpreted to include, without limitation: any and all of the following which is developed by you, or on your behalf, if developed in whole or in part in connection with your Franchised Business: all products or services; all variations, modifications and/or improvements on products or services; your means, manner and style of offering and selling products and services; management techniques or protocols you may develop (or have developed on your behalf); all sales, marketing, advertising, and promotional programs, campaigns, or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your Franchised Business.

Franchisor may authorize itself, its Affiliates, and other Franchised Businesses to use and exploit any such rights assigned by this Section 13.F. The sole consideration for your assignment to Franchisor of the foregoing rights shall be Franchisor's grant of the Franchise conferred to you under this Agreement. You and each Owner shall take all actions and sign all documents necessary to give effect to the purpose and intent of this Section 13.F. You and each Owner and personnel irrevocably appoint Franchisor as true and lawful attorney-in-fact for you and each Owner and authorize Franchisor to take such actions and to execute, acknowledge, and deliver all such documents as may from time-to-time be necessary to convey to Franchisor all rights granted herein.

G. Infringement; Notice of Claims.

If you become aware of any infringement of the Proprietary Marks or Intellectual Property or if your use of the Proprietary Marks or Intellectual Property is challenged by a third party, then you must immediately notify Franchisor. Franchisor shall have the exclusive right to take whatever action it deems appropriate. If Franchisor or its Affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Proprietary Marks or other intellectual property, you must sign all documents and perform such acts and things as, in the opinion of Franchisor's counsel, may be necessary to carry out such defense or prosecution. If it becomes advisable at any time in the sole discretion of Franchisor to modify or discontinue the use of any Proprietary Mark or Intellectual Property, or to substitute a new mark or graphic for any Proprietary Mark or Intellectual Property, as applicable, you must promptly comply, at your expense (which may include the cost of replacement signage and/or trade dress), with such modifications, discontinuances, or substitutions within 60 days following your receipt of written notice of the change.

H. Remedies and Enforcement.

You acknowledge that violation of this Article 13 is a material breach of this Agreement for which Franchisor may terminate this Agreement pursuant to Section 18.B. You acknowledge that in addition to any remedies available to Franchisor under this Agreement, you agree to pay all court costs and attorneys' fees incurred by Franchisor in obtaining specific performance of, a temporary restraining order and/or an injunction against violation of the provisions of this Article 13.

14. CONFIDENTIALITY OBLIGATIONS AND RESTRICTIVE COVENANTS

A. Confidential Information.

You and each Owner acknowledge that all Confidential Information belongs exclusively to Franchisor. You and each Owner agree to use and permit the use of the Confidential Information only in connection with the operation of your Franchised Business, to maintain the confidentiality of all Confidential Information, to not duplicate any materials containing Confidential Information. You and each Owner further agree that you will not at any time, during the term of this Agreement and after expiration or earlier termination of this Agreement: (1) divulge any Confidential Information to anyone, except to your employees and professional advisors having a need to know who are subject to a confidentiality agreement with you (the form of which shall contain at least the same level of confidentiality and degree of care related to nondisclosure required under this Agreement); (2) divulge or use any Confidential Information for the benefit of yourself, your Owners, or any third party (including any person, business entity, or enterprise of any type or nature), except in the operation of your Franchised Business, and then only in strict compliance with the Manual and System; or (3) directly or indirectly imitate, duplicate, or "reverse engineer" any of our Confidential Information, or aid any third party in such actions; or (4) enter any Confidential Information into any third-party artificial intelligence platform, data processor, or any other type of computational processor or algorithm connected to the internet, including but not limited to ChatGPT, Gemini, DeepSeek and other processors utilizing algorithms that share and extract information from the internet.

Upon the expiration or earlier termination of this Agreement, you will return to Franchisor all Confidential Information which is then in your possession, including, without limitation, customer lists and records, all training materials and other instructional content, all financial and non-financial books and records, the Manual and any supplements to the Manual, and all computer databases, software, and manual. Franchisor reserves the right, upon its specific written request, to require you to destroy all or certain such Confidential Information and to certify such destruction to Franchisor. You specifically acknowledge that all customer lists or information adduced by your Franchised Business is not your property, but is Franchisor's property, and you further agree to never contend otherwise.

You shall cause your Designated Manager and any employee, professional advisors or other third party with authorized access to Confidential Information as described in this Section 14.A., including information contained in the Manual, to sign a confidentiality agreement in a form prescribed by Franchisor, which identifies Franchisor as a third-party beneficiary of such agreement and gives Franchisor independent rights of enforcement.

The provisions of this Section 14.A. will survive expiration or termination of this Agreement.

B. Covenants of the Franchisee.

You acknowledge that you and your Owners will receive valuable specialized training and Confidential Information, including, without limitation, information regarding development and operation methods, strategies, and procedures; sales, promotional, and marketing methods; techniques and other trade secrets of Franchisor and the System.

You covenant and agree that during the term of this Agreement, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, or legal entity:

(1) Divert or attempt to divert, or solicit or attempt to solicit, any present or prospective customer of any Sylvan Learning business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

(2) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association

with, any Competitive Business other than Sylvan Learning businesses operated by you or your Affiliates pursuant to a then-currently effective franchise agreement with Franchisor, at any location 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, or have operated or licensed others to operate a business under the System or the Proprietary Marks or similar marks; provided that such restriction shall not apply to less than a 5% beneficial interest in any publicly traded corporation.

You further covenant and agree that for a two (2)-year continuous and uninterrupted period (which shall be tolled during any period of noncompliance) commencing upon expiration or termination of this Agreement, regardless of the reason for termination, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, or legal entity:

(3) Divert or attempt to divert, or solicit or attempt to solicit, any present or prospective customer of any Sylvan Learning business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

(4) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business (other than Sylvan Learning businesses operated by you or your Affiliates pursuant to a then-currently effective Franchise Agreement with Franchisor), that either: (a) is, or is intended to be, located (i) at the location of any former Sylvan Learning business; (ii) within a 25-mile radius of your former Franchised Business location; or (iii) within a 25-mile radius of any other Sylvan Learning business in existence or under development at the time of such termination or transfer; or (b) delivers services through the internet or mobile channels to customers within a 25-mile radius of your former Franchised Business location.

Franchisee and is Owners shall not communicate or publish, directly or indirectly, any disparaging comments or information about Franchisor or the System during the term of this Agreement or thereafter. This provision shall include, but not be limited to, communication or distribution of information through the Internet via any Electronic Media.

C. Covenants of the Franchisee's Owners.

During the term of this Agreement, your Owners will not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, or legal entity:

(1) Divert or attempt to divert, or solicit or attempt to solicit, any present or prospective customer of any Sylvan Learning business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

(2) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business other than Sylvan Learning businesses operated by you or your Affiliates pursuant to a then-currently effective Franchise Agreement with Franchisor, at any location 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, or have operated or licensed others to operate a business under the System or the Proprietary Marks or similar marks; provided that such restriction shall not apply to less than a 5% beneficial interest in any publicly traded corporation.

For a two (2) year continuous and uninterrupted period (which shall be tolled during any period of noncompliance) commencing upon the earlier of (i) expiration or termination of this Agreement, regardless of the cause for termination, (ii) dissolution of the franchisee entity, or (iii) the transfer or

redemption of an Owner's interest in the franchisee entity, your Owners will not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, or legal entity:

(3) Divert or attempt to divert, or solicit or attempt to solicit, any present or prospective customer of any Sylvan Learning business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

(4) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business (other than Sylvan Learning businesses operated by you or your Affiliates pursuant to a then-currently effective Franchise Agreement with Franchisor), that either: (a) is, or is intended to be, located (i) at the location of any former Sylvan Learning business; (ii) within a 25-mile radius of your former Franchised Business location; or (iii) within a 25-mile radius of any other Sylvan Learning business operating under the System and Proprietary Marks in existence or under development at the time of such termination or transfer; or (b) delivers services through the internet or mobile channels to customers within a 25-mile radius of your former Franchised Business location.

At Franchisor's request, each Owner shall execute a separate agreement containing the terms contained in this Section 14.C.

D. Reformation and Reduction of Scope of Covenants.

If any part of these restrictions contained in this Article 14 is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court or arbiter to that deemed reasonable. If, at any time during the two-year period following the expiration, termination, or approved transfer of this Agreement or the date any Owner ceases to be an Owner under this Agreement, Franchisee or any of its Owners fails to comply with its obligations under this Article 14, that period of non-compliance will not be credited toward satisfaction of the two-year period.

Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 14, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 23 hereof.

E. Acknowledgments.

The parties and each Owner acknowledge and agree that any claims that you or such Owner may have or allege to have against Franchisor shall not constitute a defense to the enforcement of any covenant contained in this Article 14 or any Confidentiality and Non-Competition Agreement (or equivalent) signed by such Owner.

F. No Undue Hardship.

You and each Owner acknowledge and agree that the covenants set forth in this Article 14 are fair and reasonable. You acknowledge and agree that such covenants will not impose any undue hardship on you and that you have other considerable skills, experience, and education affording you the opportunity to derive income from other endeavors. Each Owner acknowledges and agrees that such covenants will not impose any undue hardship on him or her, and that each has other considerable skills, experience, and education affording him or her the opportunity to derive income from other endeavors. Nothing in this Article 14 or this Agreement shall be interpreted to prevent you and your Owners from (i) communicating with or providing information to any federal or state agency or (ii) otherwise complying with any federal, state, or local law.

G. Injunctive Relief.

You and each Owner acknowledge that the violation of any covenant contained in this Article 14 would result in immediate and irreparable injury to Franchisor for which there is no adequate remedy at law. The parties acknowledge and agree that, in the event of a violation of any covenant contained in this Article 14, Franchisor shall be entitled to seek injunctive relief to restrain such violation in accordance with the usual equity principles. The party in violation of any foregoing covenant shall reimburse Franchisor for any costs that it incurs (including attorneys' fees) in connection with enforcement of the provisions contained in this Article 14.

15. BRAND DEVELOPMENT; MARKETING

A. General Requirements and Local Marketing Expenditure.

In addition to contributions to the NAF, you must make the Local Marketing Expenditure and the Advertising Cooperative contribution under Section 15.C., as designated by Franchisor. The Local Marketing Expenditure is set forth in the Summary Page. At Franchisor's request, Franchisee will furnish Franchisor with copies of invoices and other documentation reasonably satisfactory to Franchisor evidencing compliance with this Section 15.A. If Franchisor determines that Franchisee's Local Marketing Expenditure, combined with the Advertising Cooperative contribution, total less than the then-current percentage of Gross Sales required by Franchisor during the then-most recently completed three consecutive months, Franchisor may notify Franchisee of any additional amounts that Franchisee must spend (up to the then-current percentage of Gross Sales required by Franchisor) on local marketing, and if Franchisee has not spent such additional amounts (in addition to any ongoing marketing requirements) by the end of the three-month period following the month in which Franchisee receives such notice, then Franchisor may collect those unspent amounts directly from Franchisee's account pursuant to Section 6.G. and contribute them to the NAF, without any liability or obligation to use such funds for Franchisee's local advertising. Alternatively, at Franchisor's discretion, Franchisor or its Affiliate may collect these Local Marketing Expenditure monies from you and place the advertising on your behalf. Franchisor will provide Franchisee with not less than 30 days' notice of any determination which changes the amount of the Local Marketing Expenditure Franchisee must spend.

You shall ~~focus~~conduct your marketing activities only within your Protected Area. You may engage in direct marketing activities in the Protected Area (even if it is overlapping with another franchisee's protected area). For purposes of this agreement, "direct marketing activities" include, without limitation, personal solicitations, direct mailings, sporting event sponsorships and advertising, and school event sponsorships and advertising. "Direct marketing activities" does not include web site advertising or targeted emails or text messages to existing customers. Franchisor may develop policies and procedures that apply to all types of advertising and marketing efforts, including social media advertising, and Franchisee shall comply with such policies and procedures. You may not conduct direct marketing activities outside of your Protected Area, unless Franchisor provides you with written consent specifically identifying the additional areas and time frame in which you may market outside of your Protected Area. You must never conduct any direct marketing activities or engage in any other advertising activities in another The Little Gym franchisee's protected area, directly or indirectly, which includes using any paid or unpaid customer referral sources.

All of your promotional and marketing materials shall comply with governing law and conform to Franchisor's standards and specifications related to advertising, marketing, and trademark use. You shall submit to Franchisor samples of proposed promotional and marketing materials, and notify Franchisor of the intended media, before first publication or use. Franchisor will use good faith efforts to approve or disapprove proposed promotional and marketing materials within ten (10) business days after receipt. You may not use the promotional or marketing materials until Franchisor expressly approves the materials and the proposed media. Once approved, you may use the materials only in connection with the media for which they were approved. Franchisor may disapprove your promotional or marketing

materials, or the media for which they were approved, at any time, and you must discontinue using any disapproved materials or media upon your receipt of written notice of disapproval.

Franchisor reserves the right to identify a Designated Supplier, who may be Franchisor's Affiliate, of local and regional marketing services and/or establish a Systemwide Supply Contract for local and regional marketing services. In such case, Franchisor may collect all or a portion of the Local Marketing Expenditure in accordance with Section 6.G. and apply it to fees payable to the Designated Supplier for such local and regional marketing services. Franchisor also reserves the right to appoint its Affiliate to provide local and regional marketing services to Franchisee, and if established, Franchisee is required to submit a portion or all of the Local Marketing Expenditure to such Affiliate to satisfy the requirements under this Section 15.A. If the full amount of the Local Marketing Expenditure is applied to fees due under such a Systemwide Supply Contract, then Franchisee may, but is not required to, conduct additional or supplemental local marketing activities in accordance with this Section 15.A. If Franchisor collects less than the full amount of the Local Marketing Expenditure, then Franchisee must spend the remaining Local Marketing Expenditure in its marketing activities in its Protected Area in accordance with this Section 15.A.

Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Business or the System and approved by Franchisor may be used by Franchisor and other operators under the System of Franchisor without any compensation to Franchisee.

B. Grand Opening Advertising.

You agree to spend at least the Grand Opening Advertising Amount set forth in the Summary Page in accordance with the Standards to promote the opening of your Franchised Business. Franchisor reserves the right to require a Designated Supplier, which may be its Affiliate, to conduct your Grand Opening Advertising. Franchisor reserves the right to require the Grand Opening Advertising Amount to be paid directly to a Designated Supplier, or itself or its Affiliate, which will then spend it on Franchisee's behalf. Franchisee shall pay the Grand Opening Advertising Amount to the appropriate party at least 60 days before the Franchisor-approved grand opening date of the Franchised Business. The grand opening advertising shall commence approximately 60 days before the grand opening date and end approximately 60 days thereafter. Franchisor may also require you to spend a then-prescribed amount of marketing upon remodel or refurbishment, renewal, or transfer of the Franchised Business ("Refresh Grand Opening") as disclosed in writing to you by Franchisor. All grand opening advertising and promotional materials shall be submitted to Franchisor for approval pursuant to Section 15.A., above. The Grand Opening Advertising Amount shall not be credited towards the Local Marketing Expenditure requirements.

C. Advertising Cooperatives.

Franchisor may, from time-to-time, form local or regional advertising cooperatives (each an "Advertising Cooperative") to pay for the development, placement, and distribution of advertising for the benefit of Franchised Businesses located in the geographic region served by the Advertising Cooperative. Any Advertising Cooperative established by Franchisor will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the foregoing purposes.

If Franchisor forms an Advertising Cooperative for the region in which the Franchised Business is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 15.C.

Franchisor shall have the exclusive right to create, dissolve, and merge each Advertising Cooperative created, in its discretion, and to create and amend the organizational and governing documents related thereto, provided that such documents shall: (1) operate by majority vote, with each Sylvan Learning business (including those owned or managed by Franchisor or its Affiliates) entitled to one vote; (2) entitle Franchisor to cast one vote (in addition to any votes it may be entitled to on account of its ownership or operation of Sylvan Learning businesses in the area served by the Advertising Cooperative); (3) permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions; and (4) provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination. If the majority of the voting power of an Advertising Cooperative consists of Sylvan Learning businesses owned by Franchisor or its Affiliates, contributions will not exceed $10,000 per year without the consent of a majority of the remaining members.

You agree to be bound by all organizational and governing documents created by Franchisor and, at Franchisor's request, shall execute all documents necessary to evidence or affirm your agreement. The Advertising Cooperative shall begin operating on a date determined in advance by Franchisor.

No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without Franchisor's prior approval. All advertising plans and materials must conform to the Standards and must be submitted to Franchisor for approval according to the procedures set forth in Section 15.A. of this Agreement.

D. Restriction Against Internet Advertising.

You may not establish or maintain a web site or other presence on the World Wide Web portion of the Internet, including gaming websites or social networking websites such as, but not limited to, FACEBOOK, LINKEDIN, TIKTOK, YELP, or X (formerly known as Twitter), which reflects any of the Proprietary Marks or any of Franchisor's copyrighted works, that includes the term "Sylvan Learning" or "Sylvan" as part of its URL or domain name, that otherwise states or suggests your affiliation with Sylvan Learning brand or franchise system, or that uses or displays any collateral merchandise offered at the Franchised Business, without Franchisor's express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that Franchisor establishes. Our social media and networking policies will be provided to you in the Manual, and may be modified, amended, or terminated by us at any time.

E. NAF.

Franchisor may implement and administer the NAF for the creation and development of marketing, advertising, and related programs, campaigns and materials for the implementation of Franchisor's Brand positioning. If created, Franchisee will contribute the NAF Contribution to the NAF as set forth in Section 6.D. of this Agreement unless Franchisor suspends, at its option, collection of the NAF Contribution. Franchisor may, at its sole option, increase the NAF Contribution upon 30 days' prior notice to Franchisee, subject to the limitations in Section 15.A.

Franchisor will direct all initiatives related to the positioning of the Brand using the NAF, including without limitation advertising and marketing programs (e.g. research methods, branding, creative concepts and materials, sponsorships, and endorsements used in connection therewith); selection of geographic and media markets; and media placement and the allocation thereof. Franchisor may use the NAF to pay the costs of research (including without limitation product and services research and development, curriculum and program development), market research (e.g. customer engagement with the Brand, including design and décor, concept development, uniform design, customer service techniques, customer research and focus groups) creation and production of video, audio, electronic, and written advertising and marketing programs; administration of regional, multi-regional, and national advertising and marketing programs, customer research and surveys, and testing and related development activities; promotional events; purchasing and participating in online, social media, radio, television, and

billboard advertising and programming; employing marketing, advertising and promotional agencies to assist therewith; conducting community relations activities; supporting public relations, maintenance of the System websites, and online presence; reasonable administrative expenses (including, but not limited to wages), public relations activities, Crisis Management Event management, employing a director and agencies to assist therein, defraying such salaries, administrative costs and overhead as Franchisor may incur in connection with such activities and other purposes deemed beneficial by Franchisor; and such other advertising, marketing, and promotional activities as Franchisor determines are appropriate for Sylvan Learning businesses and the Proprietary Marks and System under which they operate. For the avoidance of doubt, Franchisee will ultimately be responsible for the costs associated with the placement of any such marketing and media for the Franchised Business in accordance with Section 15.A. The NAF may furnish Franchisee with samples of advertising, marketing formats, promotional formats, and other materials at no additional cost when Franchisor deems appropriate. Multiple copies of such materials will be furnished to Franchisee at Franchisee's sole cost.

(1) Accounting. The NAF will be accounted for separately from Franchisor's other funds and will not be used to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs, travel expenses, and overhead as Franchisor may incur in activities related to the administration of the NAF and its programs, including as described in this Section 15.E. and with respect to collecting and accounting for contributions to the NAF. The NAF will be operated solely as a conduit for collecting and expending the NAF Contribution. Franchisor does not act as trustee with respect to the NAF and has no fiduciary duty to Franchisee or its Affiliates, Owners, or any other franchisees with regard to the operation or administration of the NAF. Franchisor may spend, on behalf of the NAF, in any fiscal year, an amount that is greater or less than the aggregate contribution of Sylvan Learning businesses to the NAF in that year, and the NAF may borrow from Franchisor or others to cover deficits or may invest any surplus for future use. All interest earned on monies contributed to the NAF will be used to pay advertising costs before other assets of the NAF are expended. Franchisor will, upon Franchisee's written request (but no more than once annually), provide a copy of its unaudited annual statement of monies collected and costs incurred by the NAF. Franchisor will have the right to cause the NAF to be incorporated or operated through a separate entity at such time as Franchisor deems appropriate, and such successor entity will have all of the rights and duties specified herein.

(2) Proportionality. Franchisee acknowledges that the NAF is intended to maximize recognition of the Proprietary Marks and patronage of Sylvan Learning businesses generally. Although Franchisor will endeavor to utilize the NAF to develop advertising and marketing materials and programs and to place advertising that will benefit the System, Franchisor has no obligation to ensure that expenditures by the NAF in or affecting any geographic area are proportionate or equivalent to the contributions to the NAF by Sylvan Learning businesses operated in that geographic area. Nor is Franchisor under any obligation to ensure that any Sylvan Learning business will benefit directly or in proportion to its NAF Contribution from the development of advertising and marketing materials or the placement of advertising, or that all Sylvan Learning businesses operated by Franchisor or any of its Affiliates will pay the same NAF Contribution. Except as expressly provided in this Section 15.E., Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to, or maintaining, directing, or administering the NAF. Franchisor reserves the right to suspend or terminate (and, if suspended or terminated, to reinstate) the NAF. If the NAF is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees operating Sylvan Learning businesses in proportion to their respective contributions to the NAF accrued during the preceding three-month period, and such amounts will be spent on local marketing in accordance with Section 15.A.

(3) Unleashed Fund. Franchisor or its Affiliate reserves the right to establish an advertising fund separate from the NAF (the "Unleashed Fund") for advertising activities related to Franchisor's affiliates. Franchisee will not contribute directly to the Unleashed Fund. When the Unleashed Fund is established, the NAF shall contribute up to 15% of its monthly balance to the Unleashed Fund. The

Unleashed Fund is not audited, and Franchisor is not required to provide any financial reports or other reports of Unleashed Fund. Franchisor or its affiliate will have the right to cause the Unleashed Fund to be incorporated or operated through a separate entity our affiliates own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.

F. Loyalty Programs, Prize Promotions, and Promotional Literature.

You shall participate in and offer to your customers all customer loyalty and reward programs, and all contests, sweepstakes, and other promotions that Franchisor may develop from time-to-time. Franchisor will communicate to you in writing the details of each such program and promotion, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Business premises as Franchisor may designate. You shall purchase and distribute all coupons, clothing, toys, and other collateral merchandise (and only the coupons, clothing, toys, and collateral merchandise) designated by Franchisor for use in connection with each such program and promotion.

To the extent that Franchisor or its Affiliate develops or authorizes the sale of gift certificates and/or stored value cards, including programs or gift certificates not specific to Sylvan Learning business, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using such gift certificates or stored value cards. All proceeds from the sale of all gift certificates and stored value cards belong exclusively to Franchisor or its Affiliate, and you shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor or its Affiliate shall reimburse or credit to you (at Franchisor's option) the redeemed value of gift cards and stored value cards accepted as payment for products and services sold by the Franchised Business.

At your expense, you must fully participate in gift card programs, loyalty programs, credit card programs, customer tracking programs, incentive programs, reward programs, and other types of programs ("Customer Card Programs") that Franchisor develops or designates to support and promote the System. You must comply with all of Franchisor's procedures and policies for Customer Card Programs in the Manuals. You will, at your sole expense, promptly install at the Franchised Business any acceptance system for Customer Card Programs and/or hardware and software necessary for Customer Card Programs to operate with the Computer System. You must also obtain any services and supplies Franchisor requires from Designated Suppliers in connection with Customer Card Programs. Customer Card Programs may use aspects of the Computer System. Such Customer Card Programs may not be specific to Sylvan Learning business. Franchisor or its Affiliate reserves the right to charge administrative fees for administration of the Customer Card Programs, which may be up to 7% of the redeemed amount.

You also shall display at the Franchised Business premises all promotional literature and information as Franchisor may reasonably require from time-to-time. This may include, among other things, establishing a bulletin board for posting local school and community events and displaying signage or other literature containing information about Sylvan Learning franchise offering.

You also agree to honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time-to-time. Any customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense.

G. Social Media Accounts License.

At Franchisee's request and upon Franchisee's execution of a terms of use agreement in a form provided by Franchisor, Franchisor may, technology permitting, create all Social Media accounts related to the Franchised Business, and license the account to Franchisee for use in promoting the Franchised Business while this Agreement is in effect. Franchisee shall follow Franchisor's mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with

Franchisee's operation of the Franchised Business and Franchisee agrees to comply with any Social Media policy Franchisor implements. Franchisor shall own all Social Media accounts used in operation of the Franchised Business and shall allow Franchisee's access and use only in strict compliance with this Agreement. Franchisor reserves its right to remove Franchisee's access to Social Media accounts at any time at its sole discretion. Upon termination of this Agreement for any reason, Franchisee's access to all Social Media accounts will terminate. The term "Social Media" includes, without limitation, blogs; common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, TIKTOK, X (formerly known as Twitter), or YOUTUBE; internet listing sites such as WIKIPEDIA, GOOGLE, and YELP; applications supported by mobile platforms such as iOS and Android; virtual worlds and metaverses; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

Franchisee shall use all Social Media accounts and all content associated with the Social Media accounts only in connection with the operation and promotion of the Franchised Business. Franchisee has no right to sublicense use of the Social Media accounts. Franchisee acknowledges that Franchisor owns the Social Media accounts, all goodwill, all customer information, all analytical data, and all content associated with the Social Media accounts. Franchisee's use of the Social Media accounts will inure to the sole benefit of Franchisor. Franchisor shall possess exclusive rights to "likes," "favorites," "retweets," "followers," and other similar benefits ("Benefit") that come as a result of Franchisee's use of the Social Media accounts. Nothing herein shall grant Franchisee any right, title or interest in or to the Social Media accounts, goodwill, customer information, analytical data, content, or Benefit associated with the Social Media accounts, other than the right to use it per this Agreement. Franchisee shall take no action inconsistent with Franchisor's ownership of the Social Media accounts, goodwill, customer information, analytical data, content or Benefit associated with the use of the Social Media accounts, or assist any third party in attempting to claim adversely to Franchisor, with regard to such ownership. Without limiting the generality of the foregoing, Franchisee specifically agrees that it will not challenge Franchisor's ownership of the Social Media accounts, goodwill, customer information, analytical data, content or any Benefit associated with the Social Media accounts.

Franchisee undertakes that its use of the Social Media accounts under this Agreement: (a) will comply in all material respects with the applicable platform's terms and conditions in force from time to time; (b) will not breach any governing law, statute, regulation or legally binding code; (c) will not infringe the legal rights of any person in any jurisdiction; (d) will be used only to publish content about the Franchised Business; and (e) will not breach any provision of the Franchise Agreement and will comply at all times with Franchisor's policies, standards, and specifications, as they exist from time to time.

16. INSURANCE

A. Obligation to Maintain Insurance.

You shall be responsible for all loss or damage arising from or related to your development and operation of the Franchised Business, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Business. You shall procure at your expense and maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Business, including the minimum coverages described in Section 16.B. below and as otherwise set forth in the Manual, as updated from time-to-time. Franchisor may, from time-to-time, designate one or more Designated Suppliers for the required insurance coverages described in Section 16.B., and Franchisee shall comply with the requirements to use such Designated Suppliers, to the extent permitted by governing law. If you fail to carry the required insurance prior at any time during the Term, you shall not be permitted to operate your Franchised Business, and

Franchisor shall maintain the right to place coverage at your expense or prohibit the opening or continued operation of your Franchised Business.

B. Minimum Insurance Coverage.

All insurance policies described below shall be written by an insurance company or companies satisfactory to us, in compliance with the Standards set forth in the Manual or other written directives. Such policy(ies) shall include, at a minimum, the following coverages:

Line of Coverage:	**Limits:**
General Liability Insurance	• $1,000,000 per occurrence • $2,000,000 Annual General Aggregate, Other than Products • $2,000,000 Annual Aggregate, Products and Completed Operations • (a) premises and operations; (b) products and completed operations; (c) personal injury; (d) advertising liability; (e) abuse and molestation; (f) contractual liability; (g) employees as insureds; (h) extended bodily injury coverage; (i) damage to premises rented to you ($100,000); (j) owned, non-owned and hired automobile insurance ($1,000,000 combined single limit); and (k) student sport accident • Medical Expense – each claim – to be excluded
Commercial Property Insurance	• Covering business personal property and business income for one year of lost profit and continued business expenses, for full replacement cost of the Franchised Business's contents.
Worker's Compensation	$1,000,000 limit
Hired and Non-Owned Auto Liability	$1,000,000 per occurrence
Employment Practices Liability Insurance	• $1,000,000 per claim • Wage & Hour sublimit no less than $100,000 per occurrence • Coverage for 1st and 3rd party sexual harassment
Professional Liability (recommended but not required)	$1,000,000 per occurrence
Other coverage as we may require from time to time	

You may only purchase the required Worker's Compensation insurance from our Designated Supplier(s), who may be our Affiliate. With respect to all other required insurance, in lieu of purchasing the insurance through our Designated Supplier as we may designate from time-to-time, you may purchase the insurance from insurance brokers and carriers that you select, subject to those brokers and carriers satisfying our Standards and minimum requirements. You must submit to us the information and documentation that we request in connection with your request for our consent to purchase insurance from any unapproved insurance broker or insurance carrier.

We must be included as additional insured on all of the above policies except Worker's Compensation and Professional Liability. All insurance policies (except worker's compensation) must include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and

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

Franchisor shall have the right to establish and modify the minimum required coverages and to require different or additional kinds of insurance to reflect changes in the System or products and services offered to customers of Sylvan Learning businesses, inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. All modifications to the insurance requirements will be communicated to you via the Manual. You shall receive written notice of any modifications to the insurance requirements and shall take prompt action to secure the additional coverage or higher policy limits. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than Franchisor requires. If you fail to maintain the required insurance, you may not open your Franchised Business or we may force you to close your Franchised Business until the required insurance is put in place.

C. Insurance Policy Requirements.

The following general requirements apply to each insurance policy you are required to maintain under this Agreement:

(1) Each insurance policy must be specifically endorsed to provide that the coverage must be primary, and that any insurance carried by any additional insured will be excess and non-contributory.

(2) Each insurance policy must name Franchisor and its Affiliates, and their respective partners, officers, subsidiaries, shareholders, directors, regional directors, and employees as additional named insureds on a primary non-contributory basis on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to Franchisor) and include a waiver of subrogation in favor of each such additional named insured.

(3) No insurance policy may contain a provision that in any way limits or reduces coverage for you in the event of a claim by Franchisor or its Affiliates.

(4) Each insurance policy must extend to, and provide indemnity for, all of your obligations and liabilities to third parties and all other items for which you are required to indemnify Franchisor under this Agreement.

(5) Except for insurance provided through a Designated Supplier, all insurance policies must be written by a carrier who is licensed in the state in which the Franchised Business operates and with an A.M. Best rating of not less than A-VII (with the exception of general liability and excess insurance carriers, which must have a minimum rating of A XV).

(6) Except as otherwise provided herein, no insurance policy may provide for a deductible amount that exceeds $10,000, unless otherwise approved in writing by Franchisor, and your co-insurance under any insurance policy must be 80% or greater.

(7) Each policy must include an endorsement that it may not be modified or terminated without providing at least 30 days prior written notice to Franchisor.

D. Delivery of Certificate.

You must provide us with a certificate of insurance complying with the stated requirements no less than seven days before both (1) the commencement of construction of the Franchised Business and (2) the Franchised Business is open to the public with respect to all remaining required insurance coverages. Also, you must provide us with a certificate of insurance on each policy renewal date. Upon request, you also shall provide to Franchisor copies of all or any policies, and policy amendments, endorsements, and riders.

E. Minimum Insurance Requirements Not a Representation of Adequacy.

You acknowledge that no requirement for insurance contained in the Agreement constitutes advice or a representation by Franchisor that only such policies, in such amounts, are necessary or adequate to protect you from losses regarding your business under this Agreement. You may choose to obtain additional policies or increase the limits from the minimum requirements in Section 16.B. Maintenance of this insurance, and the performance of your obligations under this Article 16, shall not relieve you of liability under the indemnification provisions of this Agreement.

17. TRANSFER

A. Transfer by Franchisor.

Franchisor shall have the unrestricted right, in its sole discretion and without your consent, to assign this Agreement and/or all of its rights and/or obligations hereunder in a related or third-party transaction, may sell any or all of its assets (including its rights in and to the Proprietary Marks and the System); may issue new shares through an initial public offering and/or private placement; may merge with and/or acquire other companies, or may merge into or be acquired by another company; and may pledge its assets to secure payment of its financial obligations.

B. Franchisee Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest.

You understand and acknowledge that Franchisor has entered into this Agreement in reliance on your business skill, financial capacity, personal character, experience, and demonstrated or purported ability in customer service operations. Accordingly, you may not sell or transfer your interest in this Agreement, your Controlling Interest, or the assets of the Franchised Business (except in the ordinary course of your business) without Franchisor's prior written consent. In addition, if you are a Business Entity, no Owner may transfer or assign all or any portion of his or her equity interest in the Business Entity without Franchisor's prior written consent. For purposes of this Section 17.B. the term "transfer" means and includes an actual assignment, sale, or transfer of a Controlling Interest, or a collateral assignment or pledge of the Controlling Interest as security for performance of an obligation.

You must notify Franchisor in writing at least 60 days prior to the date of any such intended transfer. Any purported transfer, by operation of law or otherwise, not having the written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement. Franchisor shall not unreasonably withhold its consent to any transfer, but may, in its sole discretion, require any or all of the following as conditions of its consent:

(1) All of your accrued monetary obligations and all other outstanding obligations to Franchisor and its Affiliates and your suppliers shall be up to date, fully paid, and satisfied;

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

(3) You and each Owner shall have executed a then-current form of general release and a covenant not to sue, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, agents, and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; provided, however, that any release will not be inconsistent with any state statute regulating franchising; provided, however, that any release will not be inconsistent with any state law regulating franchising;

(4) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current Standards applicable to new Sylvan Learning franchisees, including but not limited to educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; does not

engage (and its Affiliates do not engage) in a Competitive Business; and has sufficient equity capital to operate the Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of the Franchised Business);

(5) The transferee shall sign Franchisor's then-current form of franchise agreement, for a term equal to the remaining term of this Agreement, and you shall pay to Franchisor the Transfer Fee in the amount set forth in Attachment A and specified on the Summary Page. The then-current form of franchise agreement may contain different fees, terms, and obligations than this Agreement. If the transferee is a Business Entity, then the transferee's Owners shall jointly and severally guarantee your obligations under this Agreement in writing in a form satisfactory to Franchisor. The transferee shall have the option, however, to purchase a longer term (not to exceed a total of five years) by paying an extended term fee ("Extended Term Fee"). The Extended Term Fee will be calculated as Franchisor's then-current initial franchise fee divided by the number of days included in the initial term of the then-current franchise agreement, multiplied by the number of days of additional term being purchased by the transferee;

(6) If deemed necessary by Franchisor, the transferee shall agree to update, remodel, refurbish, renovate, modify, or redesign the Franchised Business, at transferee's sole expense, to conform to Franchisor's then-current Standards and specifications for Sylvan Learning businesses. Upon Franchisee informing Franchisor of a transfer under this Section 17.B., Franchisor reserves the right to require Franchisee to undergo inspections pursuant to Section 11.H. above and Franchisee shall bear the cost of such inspections, even if such transfer does not close;

(7) You agree to remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and you and your Owners shall continue to remain responsible for your respective obligations of nondisclosure, noncompetition, and indemnification as provided elsewhere in this Agreement, and all other obligations that survive termination, expiration, or transfer and shall execute any and all instruments reasonably requested by Franchisor to further evidence such obligation;

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

(9) The transferee has the right to occupy the premises of the Approved Location for the remainder of the term equal to the remaining term of this Agreement;

(10) The transferee has satisfied all licensing and other requirements under governing local, state, and federal law;

(11) If the transferee or its Owners finance any part of the purchase price, you and the transferee agree before the transfer's proposed effective date that the transferee's obligations under promissory notes, agreements, or security interests reserved in the assets, the Franchised Business (including its physical structure), or ownership interests in the Franchisee are subordinate to the transferee's (and its Owners') obligation to pay Royalty Fees, Technology Fees, NAF Contributions, and other amounts due to the Franchisor and its Affiliates and otherwise to comply with the Agreement;

(12) You or the transferor must provide Franchisor with a copy of the agreements of purchase and sale between the transferor and the transferee. The economic terms of the transfer may not materially and adversely affect, in Franchisor's sole judgment, the post-transfer viability of the Franchised Business;

(13) If you elect to participate in Franchisor's resale program in connection with the transfer of the Franchised Business pursuant to this Section 17.B., you must comply with Franchisor's then-current resale program requirements, which may include the execution of Franchisor's then-current resale program agreement and payment of the then-current resale program fee; and

(14) Franchisor reserves the right to require transferee to conduct ~~grand opening marketing~~Refresh Grand Opening upon closing of the transfer, which Franchisee and Owners shall communicate to transferee during initial communications of the proposed transfer. Such ~~grand opening marketing~~Refresh Grand Opening expenditure shall be the same as Franchisor's requirements in the then-current ~~Sylvan Learning~~The Little Gym franchise disclosure document disclosed to transferee. If transferee does not agree to conduct ~~grand opening~~Refresh Grand Opening upon closing of the transfer, Franchisor reserves the right to charge Franchisee and Owners the required ~~grand opening~~Refresh Grand Opening amount, payable upon closing of the transfer. This is a material condition of Franchisor's approval of the proposed transfer.

If you utilize any marketing material or any other materials prepared to market your Franchised Business for a transfer subject to this Section 17.B., you must submit a copy of such materials to Franchisor for review and approval prior to your utilization or disbursement to transferee candidates, even if such materials are prepared by your brokers and legal and financial advisors.

Franchisee acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees. Therefore, Franchisor's contact with potential transferees to protect its business interests will not constitute improper or unlawful conduct. Franchisee expressly authorizes Franchisor to investigate any potential transferee's qualifications, to review the proposed purchase terms, and to withhold its consent, even if the conditions in clauses (1) through (~~12~~14) above are satisfied. Franchisee waives any claim that Franchisor's decision to withhold approval of a proposed transfer in order to protect its business interests—despite satisfaction of the conditions in clauses (1) through (~~12~~14) above—constitutes tortious interference with contractual or business relationships or otherwise violates any law. Franchisor has the right, but not the obligation, to review all information regarding the Franchised Business that Franchisee gives the proposed transferee, correct any information Franchisor believes is inaccurate, and give the proposed transferee copies of any reports Franchisee has given Franchisor or Franchisor has made regarding the Franchised Business.

C. Franchisee Transfer Among Owners; Transfer of Non-Controlling Interest.

If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more approved third parties, if:

(1) you have provided to Franchisor advance notice of the transfer and have obtained Franchisor's approval of any new owners,

(2) Attachment C has been amended to reflect the new ownership, and each Owner has signed the Confidentiality and Non-Competition Agreement in the form of Attachment E;

(3) each new Owner who holds greater than 10% ownership interest in you has signed an Undertaking and Guaranty in the form of Attachment D;

(4) each previous and/or new owners have signed a general release in favor of Franchisor and in the form Franchisor requires; and

(5) you pay to Franchisor a Transfer Fee in the amount set forth in Attachment A.

Transfers under this Section 17.C. are limited to once per rolling 12-month period. Otherwise, any transfers under this subsection shall be subject to a Transfer Fee. For purposes of this Section 17.C. only and the Transfer Fee, "Non-Controlling Interest" shall mean 20% or less of the total outstanding units or assets in the Franchised Business; provided, however, if multiple transfers of Non-Controlling Interest results in a transfer of Controlling Interest, then such transfers of Non-Controlling Interest shall be subject to Section 17.B. above.

D. Franchisee Transfer to Business Entity for Convenience.

You may transfer your interest in this Agreement to a Business Entity for convenience of operation by signing Franchisor's standard form of assignment and assumption agreement if:

(1) the Business Entity is formed solely for purposes of operating the Franchised Business;

(2) you provide to Franchisor a copy of the Business Entity's formation and governing documents (company/operating agreement, by laws, etc.), and a certificate of good standing from the jurisdiction under which the Business Entity was formed;

(3) you sign a general release in favor of Franchisor and in the form that Franchisor requires; and

(4) you pay to Franchisor a Transfer Fee in the amount set forth in Attachment A.

E. Security Interest.

Any security interest that may be created in this Agreement by virtue of Section 9-408 of the Uniform Commercial Code is limited as described in Section 9-408(d) of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without Franchisor's consent.

F. Public and Private Offerings.

If you are a Business Entity and you intend to issue equity interests pursuant to a public or private offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all conditions set forth in Section 17.B. and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall reimburse Franchisor and its Affiliates for the actual costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

G. Right of First Refusal.

If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Owner receives a bona fide offer to purchase his or her Controlling Interest in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets (as defined herein) and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: (1) the closing date specified in the third-party offer; or (2) within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor failure to exercise the option

described in this Section 17.G. shall not constitute a waiver of any of the transfer conditions set forth in this Article 17.

Notwithstanding anything herein to the contrary, in the event of an approved transfer subject to Section 17.C. or an approved in-term familial transfer of ownership (limited to immediate families only), then Franchisor's right of first refusal in this Section 17.G. shall be inapplicable, and Franchisee shall not be obligated to pay a Transfer Fee as a result of such transfer.

H. Transfer Upon Death or Incapacitation.

If any Owner dies or becomes incapacitated (mental or physical), Franchisor shall consent to the transfer of the former Owner's interest in this Agreement or equity interest in the ~~franchisee~~Franchisee (as applicable) to his or her spouse or heirs, whether such transfer is made by will or by operation of law, if, in Franchisor's sole discretion and judgment, the transferee meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the Franchised Business herein, including attending Franchisor's training; has at least the same managerial and financial criteria required by new franchisees; and has sufficient equity capital to operate the Franchised Business. If said transfer is not approved by Franchisor, the executor, administrator, or personal representative of such person shall transfer the former Owner's interest to a third-party approved by Franchisor within six months after such death, mental incapacity, or disability. Such transfer shall be subject to Franchisor's right of first refusal and to the same conditions as any *inter vivos* transfer.

I. Transfer to Employee Stock Ownership Plan ("ESOP")

Upon Franchisor's prior written consent, Franchisee may transfer a minority equity interest to an employee stock ownership plan ("ESOP") pursuant to Sections 17.C., or 17.D. provided that the ESOP satisfy the following criteria:

(1) the ESOP may transfer to employees no more than twenty percent (20%) of the Franchisee's outstanding ownership interests;

(2) the Franchisee must identify for the Franchisor, in advance, the employees who will receive an ownership interest in the Franchisee through the ESOP;

(3) employees receiving an ownership interest in the Franchisee through the ESOP must sign a confidentiality and non-solicitation agreement at least as restrictive as the confidentiality and non-solicitation restrictions in the Confidentiality and Non-Competition Agreement attached hereto as Attachment E;

(4) an employee may not at any time transfer his or her ownership interest in the Franchisee except to the Franchisee;

(5) an employee must relinquish his or her ownership interest in the Franchisee upon the termination of his or her employment with the Franchisee;

(6) transfers of ownership interests in the Franchisee through an ESOP may not result in the transfer of a controlling ownership interest in the Franchisee; and

(7) at least one Owner, who is a Person who has more than 10% ownership interest in the Franchisee, is required to sign Franchisor's then-current Undertaking and Guaranty. At all times, the ESOP must contain at least one Franchisor- approved Owner (who is a Person who has more than 10% ownership interest in the Franchisee) guarantying Franchisee's obligations under the Franchise Agreement.

J. ~~**I.**~~ **Non-Waiver of Claims**.

Franchisor's consent to a Transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor and the transferee are parties, by the transferee.

K. ~~**J.**~~ **No Transfers in Violation of Law.**

Notwithstanding anything to the contrary in this Agreement, no transfer shall be made if the transferee, any of its affiliates, or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

18. DEFAULT AND TERMINATION

A. Automatic Termination.

This Agreement will terminate automatically, without notice and without an opportunity to cure, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian (permanent or temporary) for you or your business assets, or any part thereof, is filed against you; if any court of competent jurisdiction appoints a receiver or other custodian (permanent or temporary) for you or your business assets, or any part thereof; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment is entered against you and remains unsatisfied or of record for 30 days or longer, unless a *supersedeas* bond is filed; if you are dissolved, voluntarily or involuntarily; if execution is levied against any assets of you or the Franchised Business; if any proceedings to foreclose any lien or mortgage against you, the Franchised Business, or the assets, equipment, or premises of any of the same, is instituted and not dismissed within 30 days; or if the real or personal property of you, the Franchised Business is sold after levy thereupon by any sheriff, marshal, constable, or other authorized law enforcement personnel.

B. Termination without Opportunity to Cure.

Franchisor may terminate this Agreement, by delivering to you written notice of termination, upon the occurrence of any of the following events of default:

(1) Your abandonment of the Franchised Business (for purposes of this provision "abandonment" will be deemed to occur if you fail to operate the Franchised Business on three or more consecutive days or if you otherwise convey an intention to close the Franchised Business), or lose the right to possess the premises for the Approved Location;

(2) Your lease for the Approved Location expires or terminates for any reason or you otherwise lose the right to occupy the premises of the Approved Location;

(3) The making of any false or materially misleading representations in your franchise application or during the franchise application process;

(4) You or any of your Owners or Affiliates is or has been held liable for or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any conduct which Franchisor believes will materially and adversely affect the reputation of the Brand, SYLVAN LEARNING franchise system, any other Sylvan Learning business, or the goodwill associated with the Proprietary Marks;

(5) Violation of any governing law or revocation or suspension of any necessary license or certification, in whole or in part;

(6) Violation of any confidentiality or non-compete obligations, as described in Article 14, by you or any Owner;

(7) The Franchised Business fails two consecutive quality assurance inspections during any rolling 12-month period or fails three quality assurance inspections during any rolling 24-month period;

(8) You knowingly maintain false books or records or submit any false reports or statements to Franchisor;

(9) Termination for cause of any agreement between Franchisor and you or your Affiliate, including but not limited to any franchise agreement or area development agreement;

(10) Delivery of three or more notices of default during any rolling 24-month period, whether or not the event(s) of default described in such notices ultimately are cured;

(11) Transfer or attempted transfer in violation of Article 17 of this Agreement;

(12) If an imminent threat or danger to public health or safety results from the operation of the Franchised Business;

(13) Failure to follow Franchisor's instructions or protocol upon a Crisis Management Event;

(14) Utilizing unapproved non-cash payment systems in the Franchised Business;

(15) Accepting or processing non-U.S. currency for products and services offered by the Franchised Business, including but not limited to cryptocurrency; or

(16) If Franchisee breaches any material provision of this Agreement which breach is not susceptible to cure.

C. Termination with Opportunity to Cure.

Franchisor may terminate this Agreement, by delivery of written notice of default, upon the occurrence of any of the following events of default and your failure to take appropriate corrective action during the applicable cure period:

(1) You fail to identify a site for the Franchised Business in accordance with Section 3.A. or fail to sign a lease for your Approved Location in accordance with Section 3.C., and you fail to cure within seven (7) days after delivery of written notice of default;

(2) You passed on an Acceptable Site and fail to sign a lease for your Approved Location by the Lease Deadline in accordance with Section 3.C., and you fail to cure within seven (7) days after delivery of written notice of default;

(3) You do not obtain or maintain all insurance coverage required under Section 16.B., and you fail to cure within five (5) days after delivery of written notice of default;

(4) The Designated Manager or Owners of the Franchised Business do not successfully complete initial training, in our sole judgment, and you fail to cure within ten (10) days after delivery of written notice of default;

(5) You fail to commence construction of your Franchised Business in accordance with Section 4.C. and fail to cure within 30 days after delivery of written notice of default;

(6) You fail to commence operation of your Franchised Business by the Opening Date in accordance with Section 5.A. and fail to cure within 15 days after delivery of written notice of default;

(7) You or your Affiliate fails to pay any monies owed to Franchisor, its Affiliates or your trade creditors when due and fail to cure within ten days after delivery of written notice of default, including but not limited to payment of the Minimum Royalty assessment. Any notice period required

under applicable state statutes shall begin upon Franchisor's first written notice to Franchisee of failure to pay any monies owed to Franchisor or its Affiliates;

(8) You misuse the Proprietary Marks or the Intellectual Property, including without limitation by offering and selling unauthorized products or services under or in conjunction with the Proprietary Marks or Intellectual Property, and fail to correct the misuse within five (5) days after delivery of written notice of default;

(9) You infringe on the rights of third-parties, including unauthorized use of third-party trademarks, service marks, patents, copyrights, and all other intellectual property, and fail to cure immediately after Franchisor's written or verbal notice, depending on the severity of such infringement;

(10) The Franchised Business is cited for violation of health, sanitation, or safety laws or regulations, and fails to cure the violation within five (5) days after the date the citation is issued;

(11) You purchase or use items for which Franchisor has identified Approved Suppliers from an unapproved source and fail to cure within the cure period specified in writing by Franchisor;

(12) You purchase, use, or sell items not approved by the Franchisor and fail to cure within the cure period specified in writing by Franchisor;

(13) You refuse to permit Franchisor to inspect the Franchised Business premises, or the books, records, or accounts of Franchisee and failed to cure upon Franchisor's demand;

(14) You fail to operate the Franchised Business during such days and hours specified in the Manuals and fail to cure upon Franchisor's demand;

(15) You are not in compliance with federal, state, or local laws, including but not limited to employment, environmental, occupancy, or other laws that affect the day-to-day operations of your Franchised Business and fail to cure upon Franchisor's demand;

(16) You fail to produce within 10 calendar days books, records, federal, state, and local tax returns, sales tax returns, and such other forms, reports, information, and data that Franchisor requests for routine review or an audit pursuant to Section 7.D. and do not cure such default within five (5) calendar days;

(17) You offer any unapproved programs without first completing the program-specific training, obtaining the required supplies, or otherwise complying with Franchisor's requirements for offering such programs in your Protected Area, pursuant to Section 8.H., and do not cure such default upon Franchisor's demand. This includes, but is not limited to, Sylvan Edge and ACE IT! programs;

(18) You fail to appropriately appoint an Owner or Designated Manager pursuant to Sections 11.K. and 11.L. or such individuals do not operate the Franchised Business pursuant to their best efforts or on a full-time basis, and you fail to cure such default upon Franchisor's demand; ~~or~~

(19) You fail to purchase and install the required replacement equipment, as required by Franchisor, in its sole discretion, pursuant to Sections 11.H and 11.I., within the time period the Franchisor prescribes;

(20) You fail to rectify any violation of the brand Standards or requirements in the Manual within the required period, not to exceed 10 calendar days, as submitted to you by Franchisor in writing. This includes, but is not limited to, failure to meet Franchisor's standards for cleanliness and safety of the premises of the Franchised Business, failure to repair equipment required to operate the Franchised Business, failure to ensure safety of customers of the Franchised business, failure to timely submit self-audits of the premises of the Franchised Business, and other failures that impact operation of the Franchised Business, in Franchisor's sole discretion;

(21) You engage in direct marketing activities or any other advertising in another Sylvan Learning franchisee's protected area, whether indirectly or directly, and fail to cease such disallowed marketing immediately upon notice from Franchisor; or

(22) ~~(19)~~ You fail to comply with any provision of this Agreement (except as otherwise provided in Section 18.A. and Section 18.B. and this Section 18.C.) and fail to take appropriate corrective action within 30 days after delivery of Franchisor's written notice of a default.

During any period of default, Franchisor reserves the right to~~:~~ (1) prohibit you from attending any meetings, seminars, conferences, or other events sponsored by Franchisor~~;~~, (2) prohibit you from serving on the board of any Franchisor organization, or otherwise participate in leadership of such organizations~~;~~, (3) suspend your access to the Call Center, the franchisee portal/dashboard, point-of-sale system, and any technology systems we or our Affiliates provide to you; (4) suspend services provided to you by us or our Affiliates under this Agreement, including but not limited to inspections, training, marketing assistance, and the sale of products and supplies; (5) remove the listing of the Franchised Business from all advertising published or approved by Franchisor; (6) cease listing the Franchised Business on Websites and social media, and to discontinue any links to any site or page for the Franchised Business; ~~and~~ (7) require you to temporarily close the Franchised Business until such defaults are cured, and (8) contact Franchisee's landlords, lenders, suppliers, customers, and others with whom it has entered into agreements about the status of Franchisee's operations and provide copies of any default or other notices to Franchisee's landlords, lenders, suppliers, and others with whom it has entered into agreements.

D. Other Remedies.

In addition to its termination rights, Franchisor shall have the right to require the Franchised Business, or a portion thereof, closed during any period in which 1) it is in violation of applicable health, sanitation, or safety laws or regulations, or 2) Franchisor determines, in its sole discretion, that continued operation of the Franchised Business poses a risk to public health or safety. We will have the right to take the actions set out below and continue them until you have cured the default to our satisfaction. The taking of any of the actions permitted in this Section 18.D. will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement. We may:

(1) Remove the listing of the Franchised Business from all advertising published or approved by us, including but not limited to online directories, forums, social media, and indexing websites;

(2) Prohibit you from attending any meetings or seminars held or sponsored by us or taking place on our premises;

(3) Suspend access to the call center, the franchisee portal, and any technology systems we provide to you; and/or

(4) Suspend services provided to you by us or our Affiliates under this Agreement, including but not limited to inspections, training, marketing assistance, delivery of the point-of-sale system, and the sale of products and supplies.

If Franchisor has the right to terminate the Agreement pursuant to Sections 18.B. or 18.C., in lieu of exercising its termination rights, Franchisor may forbear termination of this Agreement while Franchisee attempts to transfer the Franchised Business pursuant to Section 17.B., which may include requiring you to list your Franchised Business for sale with a third-party service provider of your choice or enter Franchisor's resale program by signing our then-current resale participation agreement. If you choose to enter Franchisor's resale program, you may be required to pay Franchisor or its designated Affiliate the then-current resale program fee to assist you in identifying buyers for transfer of your Franchised Business, which is in addition to the Transfer Fee.

E. Step-In Rights.

To prevent any interruption of business of the Franchised Business and any injury to the goodwill and reputation thereof which may be caused thereby, you hereby authorize Franchisor, and Franchisor shall have the right, but not the obligation, to operate the Franchised Business for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor, may have under this Agreement, if you are in default of your obligations under this Agreement. Franchisor will not be liable to you for any debts, losses, or obligations that the Franchised Business incurs, or to any creditors for any supplies or other products or services purchased for the Studio, in connection with such management. Franchisor or its designee may assume the Franchised Business' management under the following circumstances: (a) if you abandon or fail to actively operate the Franchised Business for any period; or (b) we provide you with a notice of your violation of this Agreement, within the applicable cure period (if any) pursuant to the applicable provision in Sections 18.B. and 18.C.. Our exercise of our rights under this Section will not affect our right to terminate this Agreement. **YOU SHALL INDEMNIFY AND HOLD FRANCHISOR HARMLESS FROM ANY AND ALL CLAIMS ARISING FROM THE ALLEGED ACTS AND OMISSIONS OF FRANCHISOR AND ITS REPRESENTATIVES IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.**

F. Liquidated Damages.

Franchisee acknowledges and confirms that Franchisor will suffer substantial damages as a result of the termination of this Agreement before the Initial Term expires. Some of those damages include lost Royalty Fees, NAF Contributions, and other fees, lost market penetration and goodwill, loss of Sylvan Learning representation in the Franchisee's Protected Area, confusion of individual customers, lost opportunity costs, and expenses that Franchisor will incur in developing or finding another franchisee to develop another Sylvan Learning franchise in the Protected Area (collectively, "Brand Damages"). Franchisor and Franchisee acknowledge that Brand Damages are difficult to estimate accurately and proof of Brand Damages would be burdensome and costly, although such damages are real and meaningful to Franchisor.

Therefore, upon termination of this Agreement for any reason (subject to this Article 18), Franchisee shall pay Franchisor the Liquidated Damages within fifteen (15) days after Franchisor's

service of written notice terminating this Agreement. As used herein, "Liquidated Damages" shall mean the product of (i) the Royalty Fee multiplied by Franchisee's Gross Sales during the entire previous twelve (12) full calendar months and (ii) the lesser of ***(a)*** three years or ***(b)*** the number of years remaining in the Initial Term.

Franchisee agrees that the liquidated damages calculated under this Section 18.F. represent the best estimate of Franchisor's Brand Damages arising from any termination of this Agreement before the Initial Term expires. Franchisee's payment of the liquidated damages to Franchisor will not be considered a penalty but, rather, a reasonable estimate of fair compensation to Franchisor for the Brand Damages Franchisor will incur because this Agreement did not continue for the Initial Term's full length.

Franchisee acknowledges that Franchisee's payment of liquidated damages is full compensation to Franchisor only for the Brand Damages resulting from the early termination of this Agreement and is in addition to, and not in lieu of, Franchisee's obligations to pay other amounts due to Franchisor under this Agreement as of the date of termination and to comply strictly with the de-identification procedures of Article 19 and Franchisee's other post-termination obligations.

If any valid law or regulation governing this Agreement limits Franchisee's obligation to pay, and/or Franchisor's right to receive, the Liquidated Damages for which Franchisee is obligated under this Section 18.F., then Franchisee shall be liable to Franchisor for any and all Brand Damages Franchisor incurs, now or in the future, as a result of Franchisee's breach of this Agreement.

G. Right of Set Off.

If an event of default occurs hereunder or under any other agreement between Franchisor and you or your affiliates, subsidiaries, or Owners, then Franchisor is hereby authorized at any time and from time to time without notice and to the fullest extent permitted by law, to set off and apply any and all sums at any time held or received by Franchisor, including, but not limited to, disbursements of Membership Program revenues, against any of and all obligations of Franchisee now or hereafter existing under this Agreement or any other agreement between Franchisor and you or your affiliates, subsidiaries, or Owners, irrespective of whether or not Franchisor shall have made any demand under this Agreement or such other agreements.

H. Cross-Default.

Any uncured default, following written notice and applicable opportunity to cure, if any, i) under the Franchise Agreement due to safety, sanitation, or health violations, non-compliance with the law, fraud, gross negligence, violation(s) of the no compete covenants, violation(s) of the confidentiality obligations, or failure to satisfy financial obligations owed to the Franchisor or ii) under any development agreement shall be considered a default under this Agreement and shall provide an independent basis for immediate termination of this Agreement, without further opportunity to cure, with or without notice and at Franchisor's sole discretion.

Any Cross-Default under any agreement between you (or any Owner) and Franchisor or its Affiliates (including but not limited to any development agreement, or any other franchise agreement, including with Affiliates), and failure to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for immediate termination of this Agreement, without an opportunity to cure, with or without notice, upon Franchisor's sole discretion. "Cross-Default" shall be defined as default due to i) violations of safety, sanitation, or health codes or Franchisor's safety Standards, or non-compliance with the law, ii) fraud, iii) gross negligence, iv) violation(s) of the non-compete and other applicable restrictive covenants, or violation(s) of confidentiality obligations, and v) failure to satisfy financial obligations owed to the Franchisor.

19. OBLIGATIONS UPON EXPIRATION OR TERMINATION

A. Expiration or Termination of Franchise.

Upon termination or expiration of this Agreement, you shall have no further right to use the Proprietary Marks, Intellectual Property or other intellectual property owned and licensed to you by Franchisor. You may no longer hold yourself out as a Sylvan Learning franchisee, and you shall refrain from representing any present or former affiliation with Franchisor or the network of Sylvan Learnings.

You shall immediately:

(1) Cease to operate the Franchised Business, unless otherwise specified by Franchisor;

(2) Pay all sums due and owing to Franchisor and its Affiliates;

(3) Take all actions necessary to cancel any assumed or fictitious name containing the Proprietary Marks (including but not limited to "Sylvan Learning" and "Sylvan") and shall do all things necessary to transfer to Franchisor or its designee the Franchised Business' telephone number(s). You hereby grant to Franchisor and its representatives, power of attorney for the specific purpose of executing all documents and doing all things necessary to effect such cancellations and transfers;

(4) Surrender to Franchisor all copies of all materials in your possession including the Manual, all Confidential Information and all other documentation relating to the operation of the Franchised Business in your possession, and all copies thereof, and shall retain no copy or record of any of the foregoing, excepting only your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law;

(5) At the option of Franchisor, assign to Franchisor (or its designee) any interest which Franchisee has in any lease, sublease or other agreement for the Franchised Business premises and surrender the Franchised Business premises to the Franchisor pursuant to Section 19.B. below. In the event Franchisor does not elect to exercise its option to acquire Franchisee's interest in the lease, sublease or other agreement for the premises, Franchisee shall make such modifications or alterations to the premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the premises from that of Sylvan Learning under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 19.A.(5), Franchisor shall have the right to enter upon the premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand; ~~and~~

6. Refund to customers any membership fees and other fees paid but not redeemed;

7. Pay any outstanding invoices and other money owed to trade creditors, vendors, suppliers, and the landlord of the premises of the Franchised Business; and

8. ~~(6)~~ Comply with all post-termination covenants in Article 14.

If, following expiration or termination of this Agreement, the premises for your Franchised Business will not continue to operate as a Sylvan Learning, either by us or our designee, then in addition to any procedures required by governing laws and any instructions that we may provide, upon our request, you will cooperate with us in notifying all members of your Franchised Business immediately that your Franchised Business will cease to operate under the Proprietary Marks. We may offer to such members the option to terminate their membership and receive a pro rata refund of all membership fees and other charges which were prepaid by such members related to any period after the effective date of termination or expiration of this Agreement. You are solely responsible for paying such refunds to your members, and we will deduct all such refunds from the amounts to be disbursed to you for the Membership Program revenues of your Franchised Business. You further will cooperate with us to preserve member goodwill. Further, you will immediately comply with our then-current de-branding checklist, as further supplemented in the Manual, which shall require you to, among other things:

(1) Remove and destroy all interior and exterior signage, point-of-sale materials, business forms, and stationary, and any other materials containing the Proprietary marks and brand colors;

(2) Delete from all computer hard drives all materials, information, communications, manuals, and marketing and promotion materials received from us;

(3) Remove all decals containing Sylvan Learning name, the Proprietary Marks, any slogans, or identifiable color scheme;

(4) Repaint or remove all identifiable color schemes from all equipment, padding, walls, doors, floors, and other surfaces;

(5) Promptly instruct all third-party internet sites and telephone directories to remove all listings identifying the location as a Sylvan Learning business;

(6) Return all uniforms, sales materials, operations manuals, and other items that contain any Confidential Information;

(7) Change your corporate and legal business name, if necessary, so that it does not contain any of the Proprietary Marks; and

(8) Return to us all signs, sign-faces, sign-cabinets, marketing materials, forms, packaging, and other materials that contain any of the Proprietary Marks.

B. Franchisor's Option to Assume Lease and Purchase Assets Following Expiration or Termination.

(1) Upon termination or expiration of this Agreement, Franchisor shall have the option, but not the obligation, to assume your lease for the Franchised Business premises by delivering to you written notice of its election within 30 days after termination or expiration of this Agreement in accordance with the terms of the Lease Rider. If Franchisor elects not to assume your lease for the Franchised Business premises, Franchisor shall have the option to purchase (in accordance with the terms and conditions set forth below), or may require you to destroy any graphics, signage, or other materials bearing the Proprietary Marks. You shall immediately remove from the Franchised Business premises all items bearing the Proprietary Marks and Intellectual Property and modify the trade dress as necessary to distinguish the premises from those of a Sylvan Learning business in accordance with the de-branding requirements set forth in the Manual. If you fail or refuse to comply with the requirements of this Section 19.B., Franchisor and its representatives shall have the right to enter on the Franchised Business premises, without liability for trespass or other civil tort, for purposes of making such changes, at your expense, which you shall pay upon demand.

(2) Upon (a) expiration of this Agreement without extension or renewal or (b) termination of this Agreement by us in accordance with its terms or by you in any manner other than in accordance with its terms, then we have the right, exercisable by giving notice thereof ("**Appraisal Notice**") to require that a determination be made of the Agreed Value (as defined below) of all of your personal property, improvements, fixtures, furniture and equipment used and located at the Franchised Business, but excluding any items not meeting our specifications or standards as provided in this Agreement (the "**Appraised Assets**"). In the event of a termination, such Appraisal Notice shall be given no later than 30 days after the date of such termination; in the event of expiration, such Appraisal Notice shall be given no more than six months and no less than three months prior to the expiration of this Agreement.

(3) Upon such Appraisal Notice, you may not sell or remove any of the Appraised Assets from the Franchised Business. The "**Agreed Value**" shall be determined by good faith consultation between you and us. You agree to give us, our designated agents and, if applicable, the Appraiser (as defined in subsection (4) below) full access to your Franchised Business's books and records relating to the Appraised Assets (including copies of all leases, concession licenses or other arrangements relating to your occupancy of the premises), at any time upon three days' prior written notice during customary

business hours in order to inspect the Appraised Assets and determine the purchase price for the Appraised Assets.

(4) If you and we are unable to agree on the Agreed Value of the Appraised Assets within 15 days after the Appraisal Notice, then the Agreed Value will be the Fair Market Value (as defined below), unless the option to purchase occurs as a result of a termination in connection with one or more defaults by Franchisee, in which case the Agreed Value will be the lesser of the Appraised Asset Value (as defined below) or the Net Book Value (as defined below). "Fair Market Value" will be the amount which an arm's length purchaser would be willing to pay for the Appraised Asset as a going concern operating under our then-current form of franchise agreement with a terminal value based on the remaining term of the lease (not in excess of 5 years) and, for the avoidance of doubt, Fair Market Value may not include goodwill associated with the Proprietary Marks. The "Appraised Asset Value" will be the amount which an arm's length purchaser would be willing to pay for the Appraised Assets, considering their age and condition. The "Net Book Value" shall be the net book value of the Purchased Assets (including the unamortized portion of any capitalized so-called "key money" for leases), as reflected on Franchisee's books and records, determined in accordance with generally accepted accounting principles. The Fair Market Value, Appraised Asset Value and Net Book Value, as applicable, will be determined by a member of a nationally recognized accounting firm (other than a firm which conducts audits of either Party's financial statements) agreed to by the Parties who has experience in the valuation of retail businesses ("Appraiser"). If the Parties cannot agree to an Appraiser, then each Party will select an Appraiser in accordance with the foregoing standards and the appraisal will be conducted by an Appraiser selected by the two party-appointed Appraisers that meets the foregoing standards.

The Appraiser will make his or her determination and submit a written report ("Appraisal Report") to Franchisee and Franchisor as soon as practicable, which report shall contain the Fair Market Value, Appraised Asset Value and Net Book Value, as applicable. The Appraiser shall endeavor to complete the Appraisal Report within 60 days after his or her appointment, and both Parties shall fully cooperate with the Appraiser in order to meet the deadline. The Appraiser may extend the Appraisal Report deadline, as may be reasonably necessary. Franchisee agrees to promptly provide the Appraiser with such books and records as he or she may require, which Franchisee represents and warrants to be complete and accurate. In absence of such books and records or if the Appraiser is not satisfied with their completeness or accuracy, the Appraiser may make his or her determination in the Appraisal Report on the basis of other sources and information he or she deems reasonably appropriate. The Appraiser's determination shall be final and binding on the Parties hereto, and the Parties agree to share the cost of the appraisal equally.

Franchisor has the option, exercisable by delivering notice thereof within ten days after submission of the Appraisal Report (or the date that an agreement is reached, if the Parties agree to the Agreed Value), to agree to purchase the Appraised Assets of the Franchised Business at its Agreed Value ("Purchased Assets").

If Franchisor exercises its option to purchase, the purchase price for the Purchased Assets will be paid in full by wire transfer at the closing, which will occur at the place, time and date mutually agreed by the Parties, and if the Parties cannot agree, then as reasonably determined by Franchisor (subject to compliance with governing law and any extensions required by Franchisor). At the closing, Franchisor will be entitled to all customary representations and warranties, covenants and closing documents and post-closing indemnifications, including: (i) instruments transferring good and merchantable title to the Purchased Assets, free and clear of all security interests, liens, encumbrances, and liabilities, to Franchisor or its designee, with all sales and other transfer taxes paid by Franchisee; and, (ii) an assignment of all leases (subject to landlord rights) and concession licenses of personal property and real estate used in the operation of the Franchised Business, including building and/or equipment (or if an assignment is prohibited, a sublease or sublicense to Franchisor or its designee for the full remaining term, subject to landlord rights, and on the same terms and conditions as Franchisee's lease or concession license, including renewal and/or purchase options).

Franchisor shall have the right to offset against the purchase price for the Purchased Assets any of the following: (1) any and all amounts owed by Franchisee or any of its Affiliates to Franchisor or any of its Affiliates; (2) lease transfer fees (if any), other costs owed to your landlord, and the costs of renovating the Franchised Business premises so that it meets Franchisor's then-current standards and specifications (if Franchisor elects to assume the lease for the Franchised Business premises); and (3) the costs of de-identifying the Franchised Business premises in accordance with this Section 19.B., if you fail to do so (if Franchisor does not elect to assume the lease for the Franchised Business premises premises).

If Franchisee cannot deliver clear title to all of the assets, or if there are other unresolved issues, the closing of the sale may at Franchisor's option, be accomplished through an escrow on reasonably appropriate terms, including the making of payments, to be deducted from the purchase price, directly to third parties in order to obtain clear title to the Purchased Assets. Franchisee and Franchisor shall comply with any applicable bulk sales or similar laws and all applicable tax notification and/or escrow procedures.

Franchisee shall exert reasonable commercial efforts to obtain all necessary consents to consummate the sale (including consents to assignments of leases and concession licenses) and to ensure all managers shall be available, to the extent requested by Franchisor, for continued employment with the company purchasing the Purchased Assets. Franchisor shall have the right to receive specific performance or injunctive relief to enforce the provisions set forth in this Article 19.

Upon delivery of the Appraisal Notice and pending determination of Agreed Value and the closing of the purchase, Franchisor shall authorize continued temporary operations of the Franchised Business pursuant to the terms of this Agreement, subject to the supervision and control of one or more of Franchisor's appointed managers.

FRANCHISEE WILL DEFEND, INDEMNIFY AND HOLD HARMLESS FRANCHISOR FROM AND AGAINST ALL OBLIGATIONS, LIABILITIES, CLAIMS AND CAUSES OF ACTION ACCRUING PRIOR TO CLOSING AND THAT IN ANY WAY RELATE TO OR ARISE OUT OF THE OPERATION OF THE FRANCHISED BUSINESS IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.

C. Compliance with Post Term Obligations.

You and each Owner shall comply with all covenants and obligations which, by their nature, survive termination of this Agreement including, without limitation, the confidentiality obligations and restrictive covenants set forth and described in Article 14 of this Agreement and the indemnification obligations set forth and described in Section 20.B. of this Agreement.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Independent Contractor.

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you will operate the Franchised Business as an independent contractor, we and you do not intend to be partners, associates, joint venturer, employee, employer, agents, or joint employers in any way, we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances, and that nothing in this Agreement shall be construed to create a partnership, joint venture, agency, employment, fiduciary relationship, master-servant relationship, or legal relationship of any kind. Franchisor shall have no relationship with your employees and you have no relationship with Franchisor's employees.

None of your employees will be considered employees of Franchisor or its Affiliates. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Franchisor or its Affiliates for any purpose, including with respect to any mandated or other insurance coverage, tax or contributions, or

requirements pertaining to withholdings, levied, or fixed by any city, state, or federal governmental agency. Neither Franchisor nor its Affiliates will have the power to hire or fire your employees. We have no right or duty to supervise, manage, control or direct your employees in the course of their employment for you. You expressly agree, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Business does not directly or indirectly vest in Franchisor or its Affiliates the power to hire, fire, or control any such employee. You further acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Franchised Business and that under no circumstance shall Franchisor or its Affiliates do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications, and procedures of System which you are required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that Franchisor or its Affiliates controls any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but constitute only standards to which you must adhere when exercising your control of the day-to-day operations of your Franchised Business. You are solely responsible for all terms and conditions of employment of your employees.

Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees, or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and you are other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will Franchisor be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business.

During the term of this Agreement, you shall identify yourself as the owner of the Franchised Business operating under a franchise granted by Franchisor, and shall apply for all permits, certificates of occupancy, and business licenses in your own name. Additionally, your individual name (if you are an individual) or your corporate name (if you are a Business Entity) must appear prominently on all invoices, order forms, receipts, business stationery, and contracts. You shall not use the Proprietary Marks to incur or secure any obligation or indebtedness on behalf of Franchisor. You shall display at the Franchised Business, in a conspicuous location, a form of notice approved by Franchisor, stating that you are an independent franchised operator of the business.

B. INDEMNIFICATION.

YOU SHALL DEFEND AT YOUR OWN COST AND INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISOR AND ITS AFFILIATES, AND THEIR RESPECTIVE SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, DESIGNEES, AND REPRESENTATIVES (COLLECTIVELY, THE "FRANCHISOR INDEMNITEES") FROM ALL LOSSES AND EXPENSES INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, CLAIM, CAUSE OF ACTION, DEMAND, INVESTIGATION, OR FORMAL OR INFORMAL INQUIRY (REGARDLESS OF WHETHER ANY OF THE FOREGOING IS REDUCED TO JUDGMENT), OR ANY SETTLEMENT OF THE FOREGOING, WHICH ACTUALLY OR ALLEGEDLY, DIRECTLY OR INDIRECTLY, ARISES OUT OF, IS BASED UPON, IS A RESULT OF, OR IS IN ANY WAY RELATED TO ANY OF THE FOLLOWING: (1) ANY ACTUAL OR ALLEGED INFRINGEMENT OR ANY OTHER ACTUAL OR ALLEGED VIOLATION OF ANY PATENT, TRADEMARK, COPYRIGHT, OR OTHER PROPRIETARY RIGHT OWNED OR CONTROLLED BY THIRD PARTIES BY YOU OR THE FRANCHISED BUSINESS OR ANY OF YOUR OR ITS RESPECTIVE OWNERS, OFFICERS, DIRECTORS, MANAGEMENT PERSONNEL, EMPLOYEES, AGENTS, SERVANTS, CONTRACTORS,

SUBCONTRACTORS, PARTNERS, PROPRIETORS, AFFILIATES OR REPRESENTATIVES, OR ANY THIRD PARTY ACTING ON BEHALF OF OR AT THE DIRECTION OF SUCH PERSONS OR ENTITIES, WHETHER IN CONNECTION WITH THE FRANCHISED BUSINESS OR OTHERWISE (COLLECTIVELY, THE "FRANCHISEE INDEMNITORS"); (2) ANY ACTUAL OR ALLEGED VIOLATION OR BREACH OF ANY CONTRACT, FEDERAL, STATE, OR LOCAL LAW, REGULATION, RULING, STANDARD, OR DIRECTIVE OF ANY INDUSTRY STANDARD BY YOU OR ANY OF THE OTHER FRANCHISEE INDEMNITORS; (3) ANY ACTUAL OR ALLEGED LIBEL, SLANDER, OR ANY OTHER FORM OF DEFAMATION BY YOU OR ANY OF THE OTHER FRANCHISEE INDEMNITORS; (4) ANY ACTUAL OR ALLEGED VIOLATION OR BREACH OF ANY WARRANTY, REPRESENTATION, AGREEMENT, OR OBLIGATION IN THIS AGREEMENT BY YOU OR ANY OF THE OTHER FRANCHISEE INDEMNITORS; (5) ANY AND ALL ACTS, ERRORS, OR OMISSIONS ENGAGED IN BY YOU OR ANY OF THE OTHER FRANCHISEE INDEMNITORS, ARISING OUT OF OR RELATED TO THE DESIGN, CONSTRUCTION, CONVERSION, BUILD OUT, OUTFITTING, REMODELING, RENOVATION, UPGRADING, OR OPERATION OF THE FRANCHISED BUSINESS, WHETHER ANY OF THE FOREGOING WAS APPROVED BY FRANCHISOR, INCLUDING, BUT NOT LIMITED TO, ANY PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE SUFFERED OR CAUSED BY ANY CUSTOMER, VISITOR, OPERATOR, EMPLOYEE, OR GUEST OF THE FRANCHISED BUSINESS; (6) ANY PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE SUFFERED OR CAUSED BY YOU OR ANY OF THE OTHER FRANCHISEE INDEMNITORS; (7) ALL LIABILITIES ARISING FROM OR RELATED TO YOUR MARKETING, ADVERTISING, PROMOTION, OFFER, SALE, OR DELIVERY OF PRODUCTS OR SERVICES AS CONTEMPLATED BY THIS AGREEMENT; (8) ANY AND ALL LATENT OR OTHER DEFECTS IN THE FRANCHISED BUSINESS, WHETHER OR NOT DISCOVERABLE BY FRANCHISOR OR YOU; (9) THE INACCURACY OR LACK OF AUTHENTICITY OF ANY INFORMATION DISCLOSED TO ANY CUSTOMER OF THE FRANCHISED BUSINESS; (10) CRIMES COMMITTED ON OR NEAR ANY OF THE PREMISES OR FACILITIES OR VEHICLES USED BY YOUR FRANCHISED BUSINESS; (11) ANY SERVICES OR PRODUCTS PROVIDED BY ANY AFFILIATED OR NONAFFILIATED ENTITY FOR THE FRANCHISED BUSINESS; (12) ANY ACTION BY ANY CUSTOMER, VISITOR, OPERATOR, EMPLOYEE, OR GUEST OF THE FRANCHISED BUSINESS OR ANY OTHER FACILITY OF YOUR FRANCHISED BUSINESS; (13) ANY AND ALL ACTS, ERRORS, OR OMISSIONS ENGAGED IN BY YOU OR ANY OF THE OTHER FRANCHISEE INDEMNITORS, ARISING OUT OF OR RELATED TO ANY DISCRIMINATION, HARASSMENT, DISABILITY, HOUR AND WAGE CLAIMS, OR OTHER EMPLOYMENT PRACTICES IN ANY WAY RELATED TO THE OPERATION OF THE FRANCHISED BUSINESS, WHETHER ANY OF THE FOREGOING WAS APPROVED BY FRANCHISOR, (14) ANY AND ALL CLAIMS RELATED TO YOUR NONCOMPLIANCE OR ALLEGED NONCOMPLIANCE WITH ANY LAW, ORDINANCE, RULE OR REGULATION, INCLUDING ANY ALLEGATION THAT WE ARE A JOINT EMPLOYER OR OTHERWISE RESPONSIBLE FOR YOUR ACTS OR OMISSIONS RELATING TO YOUR EMPLOYEES, AND (15) ANY DAMAGE TO THE PROPERTY OF YOU OR FRANCHISOR, YOUR AND OUR RESPECTIVE AGENTS, OR EMPLOYEES, OR ANY THIRD PERSON, FIRM, OR CORPORATION, WHETHER OR NOT SUCH LOSSES, CLAIMS, COSTS, EXPENSES, DAMAGES, OR LIABILITIES WERE ACTUALLY OR ALLEGEDLY CAUSED WHOLLY OR IN PART THROUGH THE ACTIVE OR PASSIVE NEGLIGENCE OF FRANCHISOR OR ANY OF ITS AGENTS OR EMPLOYEES, OR RESULTED FROM ANY STRICT LIABILITY IMPOSED ON FRANCHISOR OR ANY OF ITS AGENTS OR EMPLOYEES.

THE INDEMNIFICATION REQUIRED UNDER THIS SECTION 20.B. SHALL APPLY TO ALL CLAIMS, INCLUDING THOSE THAT ARISE, OR ARE ALLEGED TO ARISE, AS A RESULT OF FRANCHISOR'S OWN NEGLIGENCE OR GROSS NEGLIGENCE, IF ANY, REGARDLESS OF WHETHER FRANCHISOR'S NEGLIGENCE OR GROSS NEGLIGENCE IS ALLEGED TO BE THE SOLE, CONTRIBUTING, OR CONCURRING CAUSE OF SUCH ALLEGED DAMAGES THAT MIGHT BE ASSERTED.

For purposes of this Agreement, the term "Losses and Expenses" means, without limitation, all claims, losses, liabilities, costs, and expenses including compensatory, exemplary, incidental, consequential, statutory, or punitive damages or liabilities; fines, penalties, charges, expenses, lost profits, attorneys' fees, expert fees, costs of investigation, court costs, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, costs of or resulting from delays, and financing; travel, food, lodging, and other expenses necessitated by Franchisor's need or desire to appear before, or witness the proceedings of, courts or tribunals (including arbitration tribunals), or governmental or quasi-governmental entities, including those incurred by Franchisor's attorneys or experts to attend any of the same; costs of advertising material and media/time/space, and costs of changing, substituting, or replacing the same; and any and all expenses of recall, refunds, compensation, public notices, and all other amounts incurred by Franchisor in connection with the matters described above. All such Losses and Expenses incurred by Franchisor will be chargeable to and payable by you pursuant to this Section 20.B., regardless of any actions, activities, or defenses undertaken by Franchisor or the subsequent success or failure of such actions, activities, or defenses.

You shall give Franchisor written notice of any event of which you are aware for which indemnification is required within three days of your actual or constructive knowledge of such event. At your expense and risk, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense or settlement thereof, provided that Franchisor will seek your advice and counsel. Any assumption by Franchisor shall not modify your indemnification obligation. Franchisor may, in its sole and absolute discretion, take such actions as it deems necessary and appropriate to investigate, defend, or settle any event, or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole and absolute discretion, necessary for the protection of the Franchisor Indemnities or the System. Under no circumstances will Franchisor or the Franchisor Indemnities be required to seek recovery from third parties or to otherwise mitigate their losses to maintain a claim against you; in no event will a failure to pursue recovery from third parties or to mitigate loss reduce the amounts recoverable by Franchisor or the Franchisor Indemnities from you. The indemnification obligations provided by this Section 20.B. will survive the expiration or termination of this Agreement.

21. NOTICES

All notices, requests, and reports required or permitted under this Agreement must be in writing and must be (i) personally delivered, (ii) sent by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, (iii) by facsimile (provided that the sender confirms the facsimile by sending an original confirmation copy by certified mail or expedited delivery service within five calendar days after transmission) to the respective parties at the addresses reflected in the Summary Page, unless and until a different address has been designated by written notice to the other party, or (iv) by email or other electronic means to the respective parties at the addresses reflected in the Summary Page, unless and until a different address has been designated by written notice to the other party. Franchisor and its Affiliates expressly reserve the right to send to the Franchisee all notices of default and notices of termination of the Franchise Agreement to email address(es) on file, and at its sole discretion, submit a copy through any other means under this Article 21. Franchisee shall not opt out of electronic communications from Franchisor and its Affiliates, including email. Any notice will be deemed to have been given at the time of personal delivery or receipt (electronic or otherwise); provided, however, that if delivery is rejected, delivery will be deemed to have been given at the time of such rejection.

22. SEVERABILITY AND CONSTRUCTION

A. Entire Agreement.

This Agreement, all attachments to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the final and fully integrated agreement between the parties regarding the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this agreement or any related agreement is intended to disclaim the representation made in the disclosure document provided to you by Franchisor.

B. Modification.

This Agreement may be modified only by a written document, signed by both parties. This provision does not limit Franchisor's right to modify the Manual or System specifications.

C. Written Consent.

Whenever this Agreement requires the prior approval or consent of Franchisor, you shall make a timely written request to Franchisor therefore and such approval or consent shall be obtained in writing.

D. No Waiver.

No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. Franchisor's waiver of any particular default by you shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature, nor shall any delay, forbearance, or omission of Franchisor to exercise any power or right arising out of any breach or default by you of any of the terms, provisions, or covenants hereof affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by you of any terms, covenants, or conditions of this Agreement.

E. Severability.

Except as expressly provided to the contrary herein, each section, part, term, and/or provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement; provided, however, that if Franchisor determines that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, Franchisor, at its option, may terminate this Agreement.

F. Captions and Headings; References to Gender; Counterparts.

All captions in this Agreement are intended solely for the convenience of the parties, and none of the captions shall be deemed to affect the meaning or construction of any provision hereof. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural. This Agreement may be executed in one or more originals, each of which shall be deemed an original.

G. Persons Bound.

All acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all of the parties executing this Agreement as franchisee hereunder. As used in this Agreement, the term "you" shall include all persons who succeed to the interest of the original franchisee by transfer or operation of law.

H. Franchisor's Judgment.

Whenever this Agreement or any related agreement grants, confers, or reserves to Franchisor the right to take action, refrain from taking action, grant or withhold consent, or grant or withhold approval, Franchisor will, unless the provision specifically states otherwise, have the right to engage in such activity at its option taking into consideration its assessment of the long-term interests of the System overall. You acknowledge and recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by Franchisor's business judgment, neither said court, said judge, nor any other person reviewing those activities or decisions will substitute his, her, or its judgment for Franchisor's judgment. When the terms of this Agreement specifically require that Franchisor not unreasonably withhold approval or consent, any withholding of our approval or consent will be considered reasonable if you are in default or breach under this Agreement.

I. Third Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express, or implied, shall give or be construed to give any person, other than the parties and such assigns, any legal or equitable rights under this Agreement.

23. GOVERNING LAW AND FORUM SELECTION

A. Governing Law.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act), the Federal Arbitration Act, the Copyright Act, or the Patent Act, this Agreement (and all matters arising out of or relating to this Agreement) are governed by, and shall be construed in accordance with, the laws of the State of Texas, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Texas. By agreeing to the application of Texas law, the parties do not intend to make this Agreement or their relationship subject to any franchise, distributorship, business opportunity, or similar statute, rule, or regulation of the State of Texas to which this Agreement or the parties' relationship otherwise would not be subject. As of the Effective Date, Franchisor has a place of business in the State of Texas, and Texas otherwise bears a reasonable relationship to this Agreement, the parties' relationship established by this Agreement, and the parties. Franchisee and Franchisor acknowledge and agree that the choice of governing state law set forth in this Section 23 provides each of the parties with the mutual benefit of uniform interpretation of this Agreement and the parties' relationship created by this Agreement. Franchisee and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit, and that each Party's agreement regarding governing state law has been negotiated in good faith and is part of the benefit of the bargain reflected in this Agreement.

B. Remedy.

Unless otherwise specified in this Agreement, no right or remedy conferred upon or reserved by Franchisor or you by this Agreement is intended and it shall not be deemed to be exclusive of any other right or remedy provided or permitted herein, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy.

You may not under any circumstances make any claim for money damages based on any claim or assertion that Franchisor has unreasonably withheld or delayed any consent or approval under this Agreement, and you hereby waive any such claim for damages, whether by way of affirmative claim,

setoff, counterclaim, or defense. Your sole remedy for any such claim will be an action or proceeding for specific performance of the applicable provision(s) of this Agreement.

C. WAIVER OF JURY TRIAL.

TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE, OWNER, AND THE FRANCHISOR INDEMNITIES KNOWINGLY, WILLINGLY, AND VOLUNTARILY, WITH FULL AWARENESS OF THE LEGAL CONSEQUENCES, AFTER CONSULTING WITH COUNSEL (OR AFTER HAVING WAIVED THE OPPORTUNITY TO CONSULT WITH COUNSEL) AGREE TO WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY DISPUTE BETWEEN THEM. THE RIGHT TO A TRIAL BY JURY IS A RIGHT SUCH PARTIES WOULD OR MIGHT OTHERWISE HAVE HAD UNDER THE CONSTITUTIONS OF THE UNITED STATES OF AMERICA AND THE STATE IN WHICH THE FRANCHISED BUSINESS IS LOCATED.

~~**Contractual Limitations Period**~~.

~~Any and all claims and actions arising out of or relating to this Agreement, with the exception of Franchisor's indemnification claims and actions for monies owed to Franchisor or its Affiliates, the parties' relationship, or the operation of the Franchised Business (including any claims of set-off or recoupment), must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any governing state or federal statute of limitations; or (2) two years and a day after the date such claim arose, whichever occurs first; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred.~~

D. ~~**E.**~~ **WAIVER OF PUNITIVE DAMAGES.**

THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, OR MULTIPLE DAMAGES AGAINST THE OTHER.

E. ~~**F.**~~ **Attorneys' Fees**.

If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit. If Franchisor moves to confirm or enforce an arbitration award or judgement, pursuant to Section 23.F. below, Franchisor shall be entitled to have and recover its attorneys' fees and costs related to such enforcement from Franchisee and Guarantors.

F. ~~**G.**~~ **DISPUTE RESOLUTION BY BINDING ARBITRATION**.

(1) Any dispute or claim between (A) you and/or any Owner and (B) Franchisor or any Franchisor Indemnitee, including but not limited to any dispute or claim arising out of or relating in any way to

(a) this Agreement or any other agreement between you and/or any Owner and Franchisor or any Franchisor Indemnitee,

(b) the offer and sale of the franchise opportunity,

(c) any representations made prior to the execution of this Agreement,

(d) the validity, enforceability, or scope of this Agreement and this arbitration agreement, and

(e) the relationship of the parties

must be submitted to binding arbitration before the American Arbitration Association ("AAA") pursuant to its Commercial Arbitration Rules in effect at the time the arbitration demand is filed. The AAA rules are available online at www.adr.org. The only disputes or claims that shall not be subject to arbitration shall be those that relate to the protection or enforcement of Franchisor's or Franchisor Indemnitees' rights in and to Intellectual Property (including, but not limited to, the Proprietary Marks). The number of arbitrators shall be one. This arbitration agreement and the arbitration shall be subject to and governed by the Federal Arbitration Act, and not any state arbitration law.

(2) Franchisee, the Owners, Franchisor, and the Franchisor Indemnitees agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Franchisee, the Owners, Franchisor, and the Franchisor Indemnitees may be the parties to any arbitration proceeding described in this Article 23, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Franchisee, the Owners, Franchisor, the Franchisor Indemnitees or any other person or entity. The arbitrator shall have no power to preside over or consider any form representative, joint, consolidated, collective or class proceeding. Despite the foregoing or anything to the contrary in this Article 23, if any court or arbitrator determines that all or any part of this Article 23 is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then we and you agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Section 23.H. below.

(3) We and you will be bound by any limitation under this Agreement or governing law, whichever expires first, on the timeframe in which claims must be brought. We and you further agree that, in connection with any arbitration proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in the proceeding will be barred. The arbitrator does not have the right to consider any settlement discussions or offers either you or we made.

(4) Unless prohibited by law, the arbitration shall occur in Tarrant County, Texas. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence.

(5) Except as may be required by law, neither Franchisee, its Owners, nor an arbitrator may disclose the existence, content, or results of any arbitration under this Section without the prior written consent of all parties.

(6) The arbitrator must follow, and may not disregard, the governing law.

(7) The arbitrator has the right to award any relief he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (in accordance with Section 23.F. above), provided that the arbitrator may not declare any Proprietary Mark generic or otherwise invalid and Franchisee and Franchisor waive to the fullest extent the law permits any right to or claim for any punitive, exemplary, treble, and other forms of multiple damages against the other. The arbitrator's award

and decision will be conclusive and bind all parties covered by this Article 23, and judgment upon the award may be entered in a court specified or permitted in Section 23.G.(10) below.

(8) The decision of the arbitrator will be final and binding on all parties to the dispute. A judgment may be entered upon the arbitration award in any federal or state court having jurisdiction.

(9) Despite the existence of the arbitration clause, the parties shall have the right to seek temporary restraining orders, preliminary injunctions, and similar equitable relief from a court pending arbitration of the merits of the claims. Any injunctive relief may be given without the necessity of Franchisor posting bond or other security and any such bond or other security is hereby waived.

(10) To the fullest extent permitted by law, the parties agree that any actions permitted to be brought under this Agreement by either party in any court may only be brought in a federal or state court serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced. You hereby irrevocably submit to the jurisdiction of the federal and state courts serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced and waive any objection you may have to the jurisdiction of or venue in such courts.

G. ~~H.~~ Consent to Jurisdiction.

Subject to the arbitration obligations in Section 23.G. above, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county where Franchisor's principal place of business is then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which Franchisee resides or the Franchised Business is located.

H. ~~I.~~ Material Inducement for Franchisor.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT THIS ARTICLE 23 IS ENTERED INTO VOLUNTARILY AND IS NOT THE PRODUCT OF COERCION ON THE PART OF FRANCHISOR. THE BINDING ARBITRATION, CHOICE OF LAW AND FORUM, WAIVER OF PUNITIVE DAMAGES, LIMITATION ON ACTIONS, WAIVER OF CLASS ACTION, AND OTHER PROVISIONS OF THIS ARTICLE 23 ARE A MATERIAL INDUCEMENT FOR FRANCHISOR TO ENTER INTO THIS AGREEMENT. IF ANY PROVISION OF THIS ARTICLE 23 IS DEEMED UNENFORCEABLE FOR ANY REASON, THERE WILL HAVE BEEN A FAILURE OF CONSIDERATION DELIVERED BY FRANCHISEE TO FRANCHISOR FOR THIS AGREEMENT, AND THIS AGREEMENT WILL HAVE FAILED OF ITS ESSENTIAL PURPOSE, THEREBY ENTITLING FRANCHISOR TO VOID THIS AGREEMENT AT ITS OPTION.

I. ~~J.~~ No Waiver or Disclaimer of Reliance in Certain States.

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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.

24. ACKNOWLEDGMENTS

C. Reasonable Restrictions.

You have carefully considered the nature and extent of the restrictions upon you set forth in this Agreement, including, without limitation, the covenants not to compete, the restrictions on assignment, and the rights, obligations, and remedies conferred upon you under this Agreement. You acknowledge that such restrictions, rights, obligations, and remedies: (1) are reasonable, including, but not limited to, their term and geographic scope; (2) are designed to preclude competition which would be unfair to Franchisor; (3) are fully required to protect Franchisor's legitimate business interests; and, (4) do not confer benefits upon Franchisor that are disproportionate to your detriment.

[Please initial to acknowledge that you have read and understand this Section 24.A.] _____

D. Patriot Act.

You represent and warrant that to your actual knowledge: (i) neither Franchisee, nor its officers, directors, managers, members, partners or other individual who manages the affairs of Franchisee, nor any Franchisee affiliate or related party, or any funding source for the Franchised Business, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury's Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "USA Patriot Act," as such lists may be amended from time to time (collectively, "Blocked Person(s)"); (ii) neither Franchisee nor any Franchisee affiliate or related party 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 Franchisee nor any Franchisee affiliate or related party 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 Franchisee nor any Franchisee affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Departments of State's Debarred List, as such lists may be amended from time to time (collectively, the "Lists"); (v) neither Franchisee nor any Franchisee affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither Franchisee nor any Franchisee affiliate or related party will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. You agree to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

[Please initial to acknowledge that you have read and understand this Section 24.B.] ____

The acknowledgments in clauses C through H below apply to all franchisees and franchises except not to any franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

E. Receipt of Disclosure Document.

You hereby acknowledge that you received from Franchisor its current franchise disclosure document, together with a copy of all proposed agreements related to the sale of the Franchise, at least 14 calendar days prior to the execution of this Agreement or at least 14 calendar days before you paid us any consideration in connection with the sale or proposed sale of the Franchise granted by this Agreement.

[Please initial to acknowledge that you have read and understand this Section 24.C.] _____

F. Receipt of Agreement.

You hereby acknowledge that you received from Franchisor this Agreement with all blanks filled in at least seven calendar days prior to the execution of this Agreement. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with an attorney or other professional advisor. You further represent that you understand the terms, conditions, and obligations of this Agreement and agree to be bound thereby.

[Please initial to acknowledge that you have read and understand this Section 24.D.] _____

G. Independent Investigation.

You acknowledge and represent that you are entering into this Agreement, all attachments hereto, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of all aspects relating to the Franchised Business, and not as a result of any representations about Franchisor or your reliance on any such representations (if made) by its stakeholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees which are contrary to the terms set forth in this Agreement or any franchise disclosure document required or permitted to be given to you pursuant to governing law. You have been advised and given the opportunity to independently investigate, analyze, and construe the business opportunity being offered under this Agreement, the terms and provisions of this Agreement, and the prospects for the Franchised Business, using the services of legal counsel, accountants, or other advisers of your own choosing; you have either consulted with these advisors or have deliberately declined to do so. You further recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your skills and ability as an independent business person. This offering is not a security as that term is defined under applicable federal and state securities laws.

[Please initial to acknowledge that you have read and understand this Section 24.E.] _____

H. No Representations; No Reliance.

You acknowledge and represent that, except for representations made in Franchisor's current franchise disclosure document, neither Franchisor nor its Affiliates, nor any of their respective stakeholders, officers, directors, employees, agents, representatives, independent contractors, has made any representations, warranties, or guarantees, express or implied, as to the potential revenues, profits, expenses, sales volume, earnings, income, or services of the business venture contemplated under this Agreement, and that you have not relied on any such representations (if made) in making your decision to purchase an Sylvan Learning franchise. You further acknowledge and represent that neither Franchisor nor its representatives have made any statements inconsistent with the terms of this Agreement.

[Please initial to acknowledge that you have read and understand this Section 24.F.] _____

I. No Financial Performance Representations; No Reliance.

You specifically acknowledge that the only financial performance information furnished by Franchisor is set forth in Item 19 of its current franchise disclosure document; that no officer, director, employee, agent, representative or independent contractor of Franchisor is authorized to furnish you with any other financial performance information; that, if they nevertheless do, you will not rely on any such financial performance information given to you by any such individual; and, that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision, you will immediately communicate such activity to us. For the purpose of this Section 24.G., "financial performance information" means information given, whether orally, in writing, or visually which states, suggests or infers a specific level or range of historic or prospective sales, expenses and/or profits of franchised or Franchisor-owned facilities.

[Please initial to acknowledge that you have read and understand this Section 24.G.] _____

J. No Licensure Representations; No Reliance.

You acknowledge that neither Franchisor nor its Affiliates, nor any of their respective stakeholders, officers, directors, employees, agents, representatives, independent contractors, has made any representation or statement on which you have relied regarding your ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement

[Please initial to acknowledge that you have read and understand this Section 24.H.] _____

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Franchise Agreement to be effective on the day and year first written above.

FRANCHISOR:	**FRANCHISEE:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

CALIFORNIA 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").

This Rider relates to franchises sold in California and is intended to comply with California statutes and regulations. The parties agree to modify the Franchise Agreement as follows:

1. Sections 24.C through 24.H of the Franchise Agreement are deleted in their entirety.

2. The following language is added to the end of the Franchise Agreement:

   For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

   The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

   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 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.

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

FRANCHISOR:	**FRANCHISEE:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

ILLINOIS 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").

This Rider relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. The parties agree to modify the Franchise Agreement as follows:

3. Governing Law. Section 23.A of the Franchise Agreement is deleted. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.

4. Jurisdiction. The following language is added to the end of Section 23.G(9) of the Franchise Agreement:

> In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in this Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, this Agreement may provide for arbitration to take place outside of Illinois.

5. Termination. The following language is added at the beginning of Section 18 of the Franchise Agreement:

> If anything in this Section concerning termination is inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then the Act shall apply.

6. Waiver of Jury Trial. The following language is added to the end of Section 23.C. of the Franchise Agreement:

> However, this waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.

7. Section 41 of the Illinois Franchise Disclosure Act of 1987 states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Franchise Agreement.

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

FRANCHISOR:	**FRANCHISEE:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

INDIANA 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").

This Rider relates to franchises sold in Indiana and is intended to comply with the Indiana statutes and regulations. The parties agree to supplement the Franchise Agreement as follows:

1. Pursuant to Section 23.2-2.7-1 of the Indiana Code, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subdivision.

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any:

(A) advertising campaign or contest;

(B) promotional campaign;

(C) promotional materials; or

(D) display decorations or materials;

at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

2. If the Franchise Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Indiana Code will supersede the Franchise Agreement.

3. 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 the Indiana Code, without considering this Rider. 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:	**FRANCHISEE:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

MARYLAND 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 Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Franchise Agreement as follows:

1. Releases. Section 2.B(5) and Section 17.B(3) are each amended to add the following:

   This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Entire Agreement. Section 22.A is amended by adding the following:

   Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to our prior representations.

3. Time Limit on Filing. Section 23.D. is amended by adding the following:

   The foregoing limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. This Rider will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Rider. 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:	**FRANCHISEE:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

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. 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.

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.

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.

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

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:	**FRANCHISEE:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

NEW YORK 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 requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Franchise Agreement as follows:

1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. Sections 2.B.(5) and 17 are each amended to add the following:

   The foregoing release of claims against Franchisor does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Assignment by Franchisor. Section 17 is amended by adding the following:

   Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.

4. Termination by Franchisee. Section 18 is amended by adding the following:

   You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law. Section 23.A is amended by adding the following:

   Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

6. This Rider will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Rider. 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:	**FRANCHISEE:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

~~NORTH DAKOTA~~RHODE ISLAND RIDER
TO SYLVAN LEARNING FRANCHISE AGREEMENT

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

In recognition of the ~~requirements of the North Dakota~~Rhode Island Franchise Investment ~~Law~~Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Franchise Agreement as follows:

~~1. In Sections 2.B(5) and Article 17 of the Franchise Agreement, any reference to a requirement to sign a general release is hereby deleted.~~

~~2. Article 14 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears there:~~

1. Governing Law. Section 23.A is amended by adding the following:

~~"Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."~~

Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

~~3. Section 18.F. of the Franchise Agreement requiring liquidated damages is hereby deleted.~~

2. ~~4.~~ Jurisdiction and Venue. Section 23.G~~. of the Franchise Agreement~~ is amended ~~with~~by adding the following:

Notwithstanding the foregoing, you have the right to file any arbitration action under the Rhode Island Franchise Investment Act in Rhode Island.

3. 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 the Rhode Island Franchise Investment Act, without considering this Rider. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.

~~"The site of the arbitration or mediation must be agreeable to all parties and not be remote from the franchisee's place of business."~~

~~5. In Section 23 of the Franchise Agreement, any references to the consent to jurisdiction of courts in Texas are hereby deleted.~~

~~6. In Section 23.A. of the Franchise Agreement, the word "Texas" is replaced with the words "North Dakota."~~

~~7. Section 23.C. of the Franchise Agreement is hereby deleted.~~

~~8. Section 23.D. of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears there:~~

~~"The statute of limitations under North Dakota Law will apply."~~

~~9. Section 23.E. of the Franchise Agreement is hereby deleted.~~

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

FRANCHISOR:	**FRANCHISEE:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

~~RHODE ISLAND~~VIRGINIA RIDER
TO SYLVAN LEARNING FRANCHISE AGREEMENT

THIS RIDER IS TO BE SIGNED ONLY IF THE FRANCHISE AGREEMENT TO WHICH IT RELATES IS SIGNED ON OR AFTER JULY 1, 2026.

This Rider is entered into this ___ day of _____, 20__, by and between SYLVAN LEARNING, LLC ("we," "us," or "our"), and _____ ("Franchisee," "you," or "your").

1. **Background**. We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because the Sylvan Learning Center you will operate under the Franchise Agreement will be located in Virginia.

~~In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Franchise Agreement as follows:~~

~~1. Governing Law. Section 23.A is amended by adding the following:~~

~~Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.~~

2. ~~Jurisdiction and Venue. Section 23.G is amended by adding the following~~Effective July 1, 2026, the Virginia Retail Franchising Act provides as follows:

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

~~Notwithstanding the foregoing, you have the right to file any arbitration action under the Rhode Island Franchise Investment Act in Rhode Island.~~

~~3. 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 the Rhode Island Franchise Investment Act, without considering this Rider. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.~~

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

To the extent the Franchise Agreement includes any provision that is wholly or partially unlawful under Virginia law, the unlawful portions of the provision will be deemed to be severed from, and not to be a part of, the Franchise Agreement to the extent they are unlawful. However, any remaining lawful portions of the provision may be fully enforced.

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

FRANCHISOR:	**FRANCHISEE:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

WASHINGTON RIDER
TO SYLVAN LEARNING FRANCHISE AGREEMENT

This Rider is entered into this ___ day of _____, 20__, by and between Sylvan Learning, LLC ("Franchisor," "we," "us," or "our"), and _____ ("Franchisee," "you," or "your"). The provisions of this Rider an integral part of, are incorporated into, and modify the Sylvan Learning franchise agreement executed between the Franchisor and Franchisee, and all related agreements regardless of anything to the contrary contained therein. This Rider applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW

19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

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

FRANCHISOR:	**FRANCHISEE:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

RENEWAL RIDER TO SYLVAN LEARNING FRANCHISE AGREEMENT #[_____]

This Renewal Rider to Sylvan Learning Franchise Agreement (the "Rider") is entered into by and between Sylvan Learning, LLC ("Franchisor"), _____ ("Franchisee"), and the undersigned guarantors ("Owners") regarding a franchise agreement ("Renewal Franchise Agreement") to govern Franchisee's continued operation of it's Sylvan Learning franchised business at _____ ("Franchised Business") and is effective as of the Effective Date indicated on the Summary Page of the Renewal Franchise Agreement. All initial-capitalized terms used but not defined in this Rider will have the meanings given to those terms in the Renewal Franchise Agreement.

1. Expiring Franchise Agreement. Franchisor and Franchisee acknowledge that the Renewal Franchise Agreement is the successor to Sylvan Learning franchise agreement between Franchisor and Franchisee dated as of [_____], as amended (the "Expiring Franchise Agreement"), under which Franchisee operated the Franchised Business during the Expiring Franchise Agreement's term and until the Effective Date. Franchisor and Franchisee are signing this Rider because the Expiring Franchise Agreement is scheduled to expire, and Franchisor and Franchisee have agreed to renew the Franchised Business's franchise agreement by signing the Renewal Franchise Agreement. This Rider modifies certain provisions of the Renewal Franchise Agreement that (a) do not apply to Franchisee's operation of the Franchised Business during the renewal franchise term or (b) otherwise must account for the fact that the Franchised Business already is open and operating as of the Effective Date.

2. Term. The Expiring Franchise Agreement's term is deemed to expire on the day before the Effective Date. Franchisee has no further rights under the Expiring Franchise Agreement on or following the Effective Date.

3. Grant of Franchise. Section 1.B. of the Renewal Franchise Agreement is amended as follows:

> "Franchisor hereby grants to Franchisee and Franchisee hereby accepts a non-exclusive license to operate a Sylvan Learning Franchised Business at the Approved Location indicated in Attachment B in compliance with the System. The franchise granted herein is specifically limited to the Approved Location and does not confer rights of any kind to any other location, area, market or territory."

4. Remaining Successor Terms. This Renewal Franchise Agreement satisfies the ____ term of the Franchisee's initial franchise agreement dated _____. Therefore, for purposes of clarity, Franchisee has ___ Successor Terms remaining, notwithstanding anything to the contrary in Section 2.B. of the Renewal Franchise Agreement, and all such Successor Terms are subject to renewal requirements in Section 2.B. of the Renewal Franchise Agreement, including payment of the Renewal Fee as defined in the Renewal Franchise Agreement.

5. Opening Date. If the Franchised Business is open at the Approved Location at the time of execution of the Renewal Franchise Agreement, the Opening Date shall be the same date as the Effective Date. If the Franchised Business is expected to relocate to another premises, then Franchisee shall be subject to all development procedures in Articles 3 and 4, and opening requirements in Article 5 of the Renewal Franchise Agreement.

6. Initial Franchise Fee. Provided that this Renewal Franchise Agreement is renewal of the Expiring Franchise Agreement, the requirement to pay the Initial Franchise Fee in Section 6.A. of the Renewal Franchise Agreement is waived and instead, Franchisee shall pay the Renewal Fee stated in the Expiring Franchise Agreement.

7. Grand Opening Advertising Requirements. Section 15.B. of the Renewal Franchise

Agreement is amended with the following:

"Provided that this is a renewal of the Expiring Franchise Agreement, Franchisee is not required to spend the Grand Opening Amount; however, Franchisee may choose to voluntarily spend any amount it deems appropriate to market the renewal its franchise rights under this Agreement.

8. Acknowledgements. Article 24 of the Renewal Franchise Agreement is amended with the following:

"I. **Lease**. Franchisee has fee simple or leasehold title to the premises of the Franchised Business without any restrictions which would interfere with Franchisee's performance under this Agreement."

9. Release. As partial consideration for, and as a condition of, Franchisor's granting Franchisee the rights under the Renewal Franchise Agreement, Franchisee, its Owners, and its affiliates, on behalf of themselves and their respective successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, and employees (all such parties referred to collectively as the "Releasing Parties" and, individually, as a "Releasing Party"), hereby forever release and discharge Franchisor and its current and former affiliated entities (including parent, subsidiary, and other related companies), and all of their respective officers, directors, owners, principals, partners, employees, agents, successors, executors, administrators, personal representatives, predecessors, and assigns (all such parties referred to collectively as the "Released Parties" and, individually, as a "Released Party"), from any and all claims, damages, demands, debts, causes of action, suits, duties, liabilities, costs, expenses, and agreements of any nature and kind, whether presently known or unknown, vested or contingent, suspected or unsuspected (all such matters referred to collectively for purposes of this Section 9 as "Claims" and, individually, as a "Claim"), that any Releasing Party now has, ever had, or, but for this Section 9, hereafter would or could have against any Released Party directly or indirectly arising from or related in any way to (a) the Released Parties' performance of or failure to perform their obligations under the Expiring Franchise Agreement, or (b) Franchisee's and the other Releasing Parties' relationship, from the beginning of time to the Effective Date, with any Released Party, excepting only any Claims arising exclusively from or related exclusively to the grant of the renewal franchise under the Renewal Franchise Agreement. The released Claims include, but are not limited to, any Claim alleging violation of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules, or regulations. Franchisee acknowledges that the Releasing Parties might after the Effective Date discover facts different from, or in addition to, those facts currently known to them, or which they now believe to be true, with respect to the Claims released by this Section. The Releasing Parties nevertheless agree that the release set forth in this Section has been negotiated and agreed on despite such acknowledgement and despite any federal or state statute or common-law principle which provides that a general release does not extend to claims which are not known to exist at the time of execution. Franchisee and the other Releasing Parties further covenant not to sue any Released Party on any Claim released by this paragraph and represent that they have not assigned any such Claim to any individual or entity that is not bound by this paragraph.

[If Releasor is domiciled or has his or her principal place of business in the State of California]

WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.

_____ ("Releasor") for myself and on behalf of all persons acting by or through me, acknowledge that I am familiar with Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASING PARTY.

Releasor hereby waives and relinquishes every right or benefit which I have under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that they may lawfully waive such right or benefit. In connection with this waiver and relinquishment, Releasor acknowledges he or she may hereafter discover facts in addition to or different from those which he or she now knows or believes to be true with respect to the claims herein released, but that it is the parties' intention, subject to the terms and conditions of this general release, to fully, finally and forever settle and release all such claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist. In furtherance of such intention, the releases given in this general release shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts.

Releasor warrants and represents the release set forth above is a complete defense to any claim encompassed by its terms, and covenants not to initiate, prosecute, or otherwise participate in any action or proceeding in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under this general release with respect to any claim or cause of action released under this general release.

[If Releasor is domiciled or has his or her principal place of business in the State of Washington or if the franchised business is located in the State of Washington]

Notwithstanding anything to the contrary, this general release does not apply to any claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

10. Rider to Control. Except as provided in this Rider, the Renewal Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Renewal Franchise Agreement and this Rider, this Rider's terms will control.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Renewal Rider to Sylvan Learning Renewal Franchise Agreement to be effective as of the Effective Date of the Renewal Franchise Agreement.

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

By: _____
Susan Valverde, President

FRANCHISEE:
[_____],
a [_____]

By: _____
[_____], its [_____]

OWNERS:

_____
[_____], individually

_____
[_____], individually

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT A

GLOSSARY OF ADDITIONAL TERMS

Capitalized terms will have the following meanings, unless otherwise defined in this Agreement.

"Advertising Cooperative" means a group of Sylvan Learning businesses formed to facilitate marketing and advertising placement in a particular geographic area.

"Affiliate" means, with respect to Franchisee or any Owner, any (i) direct or indirect parent, subsidiary, or affiliate, (ii) any Person, the management of which is, directly or indirectly, controlled by, or of which an aggregate of more than 10% of the voting Stock is, at the time, owned or controlled directly or indirectly by, such Person or one or more Affiliates of such Person, (iii) Person, including another franchisee of Franchisor, that shares common or partial, direct or indirect ownership, and (iv) any Person that has an ownership interest in another entity, or that controls, is controlled by, or is under common control, directly or indirectly.

"Affiliated Brand" means an Affiliate of the Franchisor that offers franchises pursuant to a separate franchise agreement.

"Approved Location" means the Franchisor-approved site for the Franchised Business in the Protected Area that meets Franchisor's site selection criteria, as specified in Attachment B.

"Business Entity" means a corporation, limited liability company, limited partnership, or other entity created pursuant to statutory authority.

"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.

"Confidential Information" means all information, knowledge, elements, trade secrets, and know-how utilized or embraced by the System, or which otherwise concerns Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software; including, but not limited to: the Standards and all elements of the System and all products, services, equipment, technologies, policies, standards, requirements, criteria, and procedures which now or in the future are a part of the System; all information contained in the Manual, including supplements to the Manual; Franchisor's standards and specifications for product preparation, packaging, and service; all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or by you in the offer and sale of products and/or services at or from the Franchised Business premises; all pricing paradigms established by Franchisor or by you; all of Franchisor's and/or your sources, or prospective sources, of supply and all information pertaining to same, including wholesale pricing structures, the contents of sourcing agreements, and the identity of vendors and suppliers; Franchisor's specifications, and your final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Franchised Business premises; the identify of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and you; all information and data relating to and collected by Sylvan Software, Extranet, and Website; all information and data pertaining to Franchisor's and/or your advertising, marketing, promotion, and merchandising campaigns, activities, materials, specifications and procedures; information obtained through the Dashboard Access Agreement; all prospective, current, and past customer lists and customer information, Member

Information, and records generated and/or otherwise maintained by your Franchised Business; all internet/web protocols, procedures, and content related to the System and your Franchised Business; Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training, and staff certification policies and procedures; all communications between you and Franchisor, including the financial and other reports you are required to submit to Franchisor under this Agreement; additions to, deletions from, and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; all other knowledge, trade secrets, or know-how concerning the methods of operation of your Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of operation under the terms of the Franchise Agreement; and all other information, knowledge, and know-how which either Franchisor or its Affiliates, now or in the future, designate as "Confidential Information."

"Controlling Interest" means: (a) if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively (i) directly or indirectly own more than 20% of the shares of each class of the developer entity's issued and outstanding capital stock or membership units, as applicable; and (ii) are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or (b) if you are a partnership, that the Owners (i) own more than 20% interest in the operating profits and operating losses of the partnership as well as more than 20% ownership interest in the partnership (and more than 20% interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

"Crisis Management Event" means any event that occurs at or about the Franchised Business premises or in connection with the operation of the Franchised Business that has or may cause harm or injury to customers or employees, such as contagious diseases, natural disasters, terrorist acts, personal injuries resulting from the use of an attraction, shootings or other acts of violence, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the marks.

"Customer Information" shall mean all information relating to past, current, or prospective customers of the Franchised Business or any other Sylvan Learning franchised business which is stored on or contained in the Sylvan Software, including without limitation, personal identification information, student demographic data, and student academic data.

"Franchise Site Application" means the form of application prescribed by Franchisor, from time-to-time, and used to evaluate proposed sites for the Franchised Business premises.

"Grand Opening Advertising Amount" means the amount set forth in the Summary Page that Franchisee will spend in connection with the opening of the Franchised Business and pursuant to Section 15.B.

"Gross Sales" means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales, including but not limited to the redemption of approved gift cards/certificates, stored value cards, and loyalty program benefits (the initial sales or reloading of gift

cards shall not be included in the calculation of Gross Sales) pursuant to the Customer Card Programs. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates and stored value cards (the redemption value minus administrative fees will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; (9) tips and gratuities; (10) Gross Sales earned through an Affiliated Brand franchise operated at the Franchised Business premises, so long as such Gross Sales constitute gross sales (or equivalent) subject to a royalty fee and other fees under such Affiliated Brand's franchise agreement; and (11) rent or other consideration paid by an Affiliated Brand franchise for occupying the Franchised Business' premises. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

"Ideas and Concepts" means processes, innovations, improvements, ideas, concepts, methods, techniques, materials or customer information relating to the System, Confidential Information and/or Sylvan Learning businesses that you or any of your Owners, Affiliates, personnel or independent contractors discovers, invents, creates, develops or derives from time to time in connection with the development or operation of the Franchised Business.

"Initial Franchise Fee" means the initial fee Franchisee must pay to Franchisor upon Franchisee's execution of this Agreement as set forth in Section 6.A. and in the amount set forth in the Summary Page.

"Intellectual Property" means all intellectual property or other proprietary rights throughout the world, whether existing under contract, statutes, convention, civil law, common law or any law whatsoever, now or hereafter in force or recognized, including (1) patents and rights to inventions; (2) trademarks, service marks, logos, trade dress and design rights; (3) works of authorship, including, without limitation, copyrights, source codes, moral rights, and neighboring rights; (4) trade secrets; (5) Ideas and Concepts; (6) publicity and privacy rights; (7) any rights analogous to those set forth herein and any other intellectual property and proprietary rights; (8) any application or right to apply for any of the rights referred to in subsections (1) through (7) above; and (9) any and all renewals, divisions, continuations, continuations-in-part, re-issuances, re-examinations, extensions and restorations of any of the foregoing (as applicable).

"Local Marketing Expenditure" means the amount Franchisee must spend monthly on local advertising for the Franchised Business in the Protected Area each month as set forth in Section 15.A. and in the amount set forth in the Summary Page, as may be amended.

"Manual" or "Operations Manual" means the series of documents, publications, bulletins, materials, drawings, memoranda, digital media, and other media Franchisor may loan you from time-to-time, which sets forth the System's operating systems, procedures, policies, methods, standards, specifications, and requirements for operating your Franchised Business, and which contains information and knowledge necessary and material to the System, and designated by Franchisor as the mandatory guide for the development and operation of Sylvan Learning businesses, including, without limitation, the confidential and proprietary Operations Manual, as Franchisor may, in its sole discretion, revise, amend, modify, or update from time-to-time upon notice of such revisions, amendment, modification, or update to you or your Affiliates.

"Opening Date" means the date by which the Franchised Business must open for business to the public, as set forth in Attachment B, which date will be no later than 273 days following the Effective Date.

"Owner(s)" means any Person holding more than ten percent of the Stock in you and its officers, directors, and shareholders of a corporation, all managers and members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. If any Owner is a Person, then the term "Owner" also includes the Owners of that Business Entity.

"Person" means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a corporation, a limited liability company, a government, or any department or agency thereof, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated association or organization, or any other entity.

"Proprietary Marks" means the trade names, service marks, trademarks, logos, emblems, and indicia of origin as Franchisor may designate in writing for use in connection with the System, including, but not limited to, the collection of trademarks listed in the chart below for the country in which your Franchised Business is located.

"Protected Area" means the geographic area identified in Attachment B to this Agreement.

"Renewal Fee" means $6,000 plus reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the renewal.

"Royalty Fee" means the continuing royalty fee Franchisee must pay to Franchisor as set forth in Section 6.B. and identified on the Summary Page, and shall include all royalty fees for all Sylvan Learning programs, including but not limited to Sylvan Edge and ACE IT!.

"Site Application" means the documents and information that Franchisee must submit to Franchisor prior to Franchisor's evaluation of a proposed site, including without limitation a description of the proposed site, demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics and a site plan of the premises that Franchisee wishes to include in the development of the Franchised Business, if any.

"Standards" means the standards, specifications, policies, procedures, and techniques that Franchisor has developed relating to the location, establishment, operation, and promotion of Franchisor's Franchised Businesses, all of which may be changed by Franchisor in its sole discretion. The Standards include, among other things: required and recommended business practices; product preparation techniques; presentation standards; standards and specifications for Franchised Business design and appearance; customer service standards; sales techniques and procedures; and other management, operational, and accounting procedures.

"Stock" means (a) all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting, and all rights (including management rights) as and to become a member of any limited liability company; and (b) all securities convertible into or exchangeable for any other Stock and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any other Stock, whether or not presently convertible, exchangeable or exercisable.

"Transfer Fee" means $6,000 per Center plus $2,500 ("Transfer Training Fee"), and reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the Transfer. If the transferee is an existing Sylvan Learning franchisee in good standing, Franchisor shall waive the Transfer Training Fee. For purposes of clarity, if Franchisee maintains any Additional Centers during the time of

the transfer, the $6,000 shall be multiplied by the number of Additional Centers plus $6,000 for the Approved Location.

(ATTACHMENT A CONTINUES ON THE NEXT PAGE.)

US MARKS:

Mark	Registration Number	Registration Date
SYLVAN	1410891	September 23, 1986
SYLVAN LEARNING	3732803	December 29, 2009
Sylvan Learning	3735313	January 5, 2010
Sylvan Learning	5329939	November 7, 2017
SYLVAN INSIGHT	4227443	October 16, 2012
SylvanSync	4467950	January 14, 2014
SYLVAN ADVANCED STUDY SKILLS	4732189	May 5, 2015
SylvanSync	4756178	June 16, 2015
SYLVAN LEARNING CENTER	5335718	November 14, 2017
SYLVAN TUTORING	4883227	January 5, 2016

Mark	Registration Number	Registration Date
	5087116	November 22, 2016
	5,142,208	February 14, 2017
ACE IT!	3392255	March 4, 2008
ACE IT! TUTORING	3402237	March 25, 2008
SYLVAN EDGE	5088525	November 22, 2016
	5088526	November 22, 2016

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT B

APPROVED LOCATION AND PROTECTED AREA

Section 1.A. The Approved Location is at: [_____].

Section 1.B. The Protected Area partially includes the following zip codes and the map, where boundaries of the map control if there is a conflict: [_____].

[MAP]

Section 3.B. The Opening Date is: [_____], which is no later than 273 days from the Effective Date.

Section 3.C. The Lease Deadline is: [____], which is 180 days from the Effective Date.

Section 3.G. The Additional Center(s) are located at: [_____].

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Attachment B to be effective as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT C

FRANCHISEE'S OWNERS AND KEY PERSONNEL

A. The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in the Franchisee, and a description of the nature of their interest, each of whom shall execute the Undertaking and Guaranty substantially in the form set forth in Attachment D to the Franchise Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	OWNERSHIP INTEREST IN FRANCHISEE	NATURE OF INTEREST

B. The following is a list of all of Franchisee's Owners and key personnel, each of whom shall execute the Confidentiality Agreement and Non-Competition Agreement substantially in the form set forth in Attachment E to the Franchise Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	POSITION

C. Franchisee's Designated Manager is: [_____].
Telephone Number: [_____].
Email Address: [_____].

D. Franchisee's Executive Owner: [_____].

~~D~~E., Franchisee represents to Franchisor that the persons identified in this Attachment C, Sections A and B reflect a true and correct listing of the shareholders, partners, members, or other persons/companies owning a direct or indirect interest in the Franchisee and a true and correct description of the nature of their interest.

FRANCHISEE:
[_____],
a [_____]

By: _____
[_____], its [_____]

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT D

UNDERTAKING AND GUARANTY

By virtue of executing a Sylvan Learning Franchise Agreement dated [_____] ("Franchise Agreement"), [_____] ("Franchisee") has acquired the right and franchise from Sylvan Learning, LLC ("Franchisor") to establish and operate a SYLVAN LEARNING® business ("Franchised Business") and the right to use in the operation of the Franchised Business the Proprietary Marks and the System, as they may be changed, improved, and further developed from time-to-time in Franchisor's sole discretion.

Pursuant to the terms and conditions of the Franchise Agreement, each of the undersigned Owners hereby acknowledges and agrees as follows:

1. I have read the terms and conditions of the Franchise Agreement and acknowledge that the execution of this Undertaking and Guaranty and the undertakings of the Owners in the Franchise Agreement are in partial consideration for, and a condition to, the granting of the rights under the Franchise Agreement. I understand and acknowledge that Franchisor would not have granted such rights without the execution of this Undertaking and Guaranty and the other undertakings of the Owners in the Franchise Agreement.
2. I own a beneficial interest in the Franchisee, and I am included within the term "Owner" as defined in the Franchise Agreement.
3. I, individually and jointly and severally with the other Owners, hereby make all of the covenants, representations, warranties, and agreements of the Owners set forth in the Franchise Agreement, and agree that I am obligated to and will perform thereunder, including, without limitation, the provisions regarding compliance with the Franchise Agreement in Article 11, the use of confidential information in Article 14, the restrictive covenants in Article 14, the transfer provisions in Article 17, the choice of law and venue provisions in Article 23, and the indemnification obligations in Article 20.
4. I, individually and jointly and severally with the other Owners, unconditionally and irrevocably guarantee to Franchisor and its successors and assigns that all obligations of the Franchisee under the Franchise Agreement will be punctually paid and performed. Upon default by the Franchisee or upon notice from Franchisor, I will immediately make each payment and perform each obligation required of the Franchisee under the Franchise Agreement. Without affecting the obligations of any Owner under this or any other Undertaking and Guaranty, Franchisor may, without notice to any Owner, waive, renew, extend, modify, amend, or release any indebtedness or obligation of the Franchisee or settle, adjust, or compromise any claims that Franchisor may have against the Franchisee. I waive all demands and notices of every kind with respect to the enforcement of this Undertaking and Guaranty, including notices of presentment, demand for payment or performance by the Franchisee, any default by the Franchisee or any guarantor, and any release of any guarantor or other security for this Undertaking and Guaranty or the obligations of the Franchisee. Franchisor may pursue its rights against me without first exhausting its remedies against the Franchisee and without joining any other guarantor and no delay on the part of Franchisor in the exercise of any right or remedy will operate as a waiver of the right or remedy, and no single or partial exercise by Franchisor of any right or remedy will preclude the further exercise of that or any other right or remedy. Upon Franchisor's receipt of notice of the death of any Owner, the estate of the deceased will be bound by the foregoing Undertaking and Guaranty, but only for defaults and obligations under the Franchise Agreement existing at the time of death, and in that event, the obligations of the Owners who survive such death will continue in full force and effect.
5. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Undertaking and Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the

Franchisee's obligations, I agree that Franchisor's release of such security will not affect my liability under this Undertaking and Guaranty.

6. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

7. I understand that Franchisor's rights under this Undertaking and Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under governing law.

8. I agree to be bound individually to all of the provisions of the Franchise Agreement including, without limitation, the litigation and dispute resolution provisions set forth in Article 23 and I irrevocably submit to the jurisdiction of the state and federal courts serving the judicial district in which Franchisor's principal headquarters are located at the time litigation is commenced. I hereby irrevocably submit to the exclusive jurisdiction of such courts and specifically waive any objection I may have to either the jurisdiction or exclusive venue of such courts.

9. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE**.

10. This Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by Franchisor. Any capitalized terms contained in but not defined by this Guaranty and Personal Undertaking shall have the same meaning prescribed to that word in the Franchise Agreement.

11. Should this Agreement be signed or endorsed by more than one person or entity, all of the obligations herein contained shall be considered the joint and several obligations of each signatory.

12. **DISPUTE RESOLUTIONS BY BINDING ARBITRATION.**

12.1 Any dispute Any dispute or claim between the Franchisee and Owners, and the Franchisor, including but not limited to any dispute or claim arising out of or relating in any way to

(i) this undertaking and guaranty or any other agreement Franchisee and Owners, and the Franchisor,
(ii) the offer and sale of the franchise opportunity,
(iii) any representations made prior to the execution of this undertaking and guaranty,
(iv) the validity, enforceability, or scope of this undertaking and guaranty and this arbitration agreement, and
(v) the relationship of the parties

must be submitted to binding arbitration before the American Arbitration Association ("AAA") pursuant to its Commercial Arbitration Rules in effect at the time the arbitration demand is filed. The AAA rules are available online at http://www.adr.org. The only disputes or claims that shall not be subject to arbitration shall be those that relate to the protection or enforcement of Franchisor's rights in and to intellectual property (including, but not limited to, the Proprietary Marks). The number of arbitrators shall be one. This arbitration agreement and the arbitration shall be subject to and governed by the Federal Arbitration Act, and not any state arbitration law.

12.2 Franchisee and Owners, and the Franchisor agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Franchisee and Owners, and the Franchisor may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Franchisee and Owners, and the Franchisor or any other person or entity. The arbitrator shall have no power to preside over or consider any form representative, joint, consolidated,

collective or class proceeding. Despite the foregoing or anything to the contrary in this Section, if any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then the parties agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Section 12.11. below.

12.3 Franchisee and Owners, and the Franchisor are bound by any limitation under this Agreement or governing law, whichever expires first, on the timeframe in which claims must be brought. Franchisee and Owners, and the Franchisor Parties further agree that, in connection with any arbitration proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in the proceeding will be barred. The arbitrator does not have the right to consider any settlement discussions or offers made by Franchisee and Owners, and the Franchisor.

12.4 Unless prohibited by law, the arbitration shall occur in Tarrant County, Texas. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence.

12.5 Except as may be required by law, neither Franchisee and Owners, and the Franchisor, nor an arbitrator may disclose the existence, content, or results of any arbitration under this Section without the prior written consent of all parties.

12.6 The arbitrator must follow, and may not disregard, the governing law.

12.7 The arbitrator has the right to award any relief he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (in accordance with Section 12.12. below), provided that Franchisee and Owners, and the Franchisor waive to the fullest extent the law permits any right to or claim for any punitive, exemplary, treble, and other forms of multiple damages against the other. The arbitrator's award and decision will be conclusive and bind all parties covered by this Section, and judgment upon the award may be entered in a court specified or permitted in Section 12.10. below.

12.8 The decision of the arbitrator will be final and binding on all parties to the dispute. A judgment may be entered upon the arbitration award in any federal or state court having jurisdiction.

12.9 Despite the existence of the arbitration clause, the parties shall have the right to seek temporary restraining orders, preliminary injunctions, and similar equitable relief from a court pending arbitration of the merits of the claims. Any injunctive relief may be given without the necessity of Franchisor posting bond or other security and any such bond or other security is hereby waived.

12.10 To the fullest extent permitted by law, the parties agree that any actions permitted to be brought under this Agreement by either party in any court may only be brought in a federal or state court serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced. Owners hereby irrevocably submit to the jurisdiction of the federal and state courts serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced and waive any objection you may have to the jurisdiction of or venue in such courts.

12.11 Subject to the arbitration obligations in this Section 12, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county where Franchisor's principal place of business is then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which Franchisee and Owners reside or the Franchised Business is located.

12.12 If any party commences a legal action against the other party arising out of or in

connection with this undertaking and guarantee, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has executed this Undertaking and Guaranty to be effective on the day and year first written above.

OWNER

[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT E

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of my being an Owner of [_____] ("Franchisee") and by virtue of executing a SYLVAN LEARNING® Franchise Agreement dated [_____] ("Franchise Agreement") and this Confidentiality and Non-Competition Agreement (herein, "Agreement"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree as follows:

1. Through the Franchise Agreement, Franchisee has acquired the right and franchise from Sylvan Learning, LLC ("Franchisor") to establish and operate a SYLVAN LEARNING® franchise facility ("Franchised Business") and the right to use in the operation of the Franchised Business the Proprietary Marks and the System, as they may be changed, improved, and further developed from time-to-time in Franchisor's sole discretion.
2. Franchisor possesses certain proprietary and confidential information, knowledge, elements, and know-how which is utilized in the operation of the System, including, without limitation, the Manual, Proprietary Services, Intellectual Property Confidential Information and other techniques and know-how which concerns Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software, as further described in the Franchise Agreement.
3. In addition to the Confidential Information identified in the Franchise Agreement, any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.
4. I acknowledge that, in my position with the Franchisee, Franchisor and Franchisee have or will furnish me with valuable specialized training and will disclose Confidential Information to me in furnishing to me the training program and subsequent ongoing training and other general assistance during the term of this Agreement.
5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and I acknowledge that the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.
6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will not disclose and/or use the Confidential Information except in connection with the operation of the Franchised Business as an Owner of the Franchisee, and then only in strict compliance with the Manual and System and only to such employees having a need to know; I will not directly or indirectly imitate, duplicate, or "reverse engineer" any Confidential Information or any other information designated by Franchisor as confidential or aid any third party in such actions; and I will continue not to disclose and/or use any Confidential Information or any other information designated by Franchisor as confidential even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.
7. Except as otherwise approved in writing by Franchisor, I will not (either directly or indirectly, for myself or through, on behalf of, or in conjunction with any person, or legal entity) at any time while I am the Owner of, employed by, or associated with the Franchisee, or at any time during the uninterrupted two (2)-year period (which will be tolled during any period of noncompliance) after I cease to be the

Owner of, employed by, or associated with the Franchisee (or the two (2)-year period after the expiration or earlier termination of the Franchise Agreement, whichever occurs first):

(a) Divert or attempt to divert, or solicit or attempt to solicit, any present or prospective customer of any Sylvan Learning business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with the Proprietary Marks and the System defined and described in the Franchise Agreement; or

(b) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any direct or indirect interest in (as owner or otherwise) or relationship or association with, any Competitive Business other than Sylvan Learning businesses pursuant to a then-currently effective Franchise Agreement with Franchisor. While I am the Owner of, employed by, or associated with the Franchisee, this restriction shall apply to any location within the United States, its territories or commonwealths, and 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, or have operated or licensed others to operate a business under the System or the Proprietary Marks or similar marks. After I cease to be the Owner of, employed by, or associated with the Franchisee (or after the expiration or earlier termination of the Franchise Agreement, whichever occurs first), this restriction shall apply to any Competitive Business that either: (i) is or is intended to be located at the location of any current or former Sylvan Learning business or within a 25-mile radius of any other Sylvan Learning business in existence or under development at the time of such termination or transfer; or (ii) delivers services through the internet or mobile channels to customers within a 25-mile radius of the Approved Location of the Franchised Business.

I acknowledge that for purposes of this Agreement, "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.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by both the Franchisee and me. Any capitalized terms

contained in but not defined by this Confidentiality and Non-Competition Agreement shall have the same meaning prescribed to that word in the Franchise Agreement.

12. **DISPUTE RESOLUTION BY BINDING ARBITRATION.**

1.1 Any dispute or claim between the Franchisee and Owners, and the Franchisor, including but not limited to any dispute or claim arising out of or relating in any way to

(i) this Agreement or any other agreement Franchisee and Owners, and the Franchisor,
(ii) the offer and sale of the franchise opportunity,
(iii) any representations made prior to the execution of this Agreement,
(iv) the validity, enforceability, or scope of this Agreement and this arbitration agreement, and
(v) the relationship of the parties

must be submitted to binding arbitration before the American Arbitration Association ("AAA") pursuant to its Commercial Arbitration Rules in effect at the time the arbitration demand is filed. The AAA rules are available online at http://www.adr.org. The only disputes or claims that shall not be subject to arbitration shall be those that relate to the protection or enforcement of Franchisor's rights in and to intellectual property (including, but not limited to, the Proprietary Marks). The number of arbitrators shall be one. This arbitration agreement and the arbitration shall be subject to and governed by the Federal Arbitration Act, and not any state arbitration law.

1.2 ~~12.2~~ Franchisee and Owners, and the Franchisor agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Franchisee and Owners, and the Franchisor may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Franchisee and Owners, and the Franchisor or any other person or entity. The arbitrator shall have no power to preside over or consider any form representative, joint, consolidated, collective or class proceeding. Despite the foregoing or anything to the contrary in this Section, if any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then the parties agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Section 12.11 below.

1.3 ~~12.3~~ Franchisee and Owners, and the Franchisor are bound by any limitation under this Agreement or governing law, whichever expires first, on the timeframe in which claims must be brought. Franchisee and Owners, and the Franchisor Parties further agree that, in connection with any arbitration proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in the proceeding will be barred. The arbitrator does not have the right to consider any settlement discussions or offers made by Franchisee and Owners, and the Franchisor.

1.4 ~~12.4~~ Unless prohibited by law, the arbitration shall occur in Tarrant County, Texas. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence.

1.5 ~~12.5~~ Except as may be required by law, neither Franchisee and Owners, and the Franchisor, nor an arbitrator may disclose the existence, content, or results of any arbitration under this Section without the prior written consent of all parties.

1.6 ~~12.6~~ The arbitrator must follow, and may not disregard, the governing law.

1.7 ~~12.7~~ The arbitrator has the right to award any relief he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (in accordance with Section 12.12. below), provided that Franchisee and Owners, and the Franchisor waive to the fullest extent the law permits any right to or claim for any punitive, exemplary, treble, and other forms of multiple damages against the other. The arbitrator's award and decision will be conclusive and bind all parties

covered by this Section, and judgment upon the award may be entered in a court specified or permitted in Section 12.10. below.

1.8 ~~12.8~~ The decision of the arbitrator will be final and binding on all parties to the dispute. A judgment may be entered upon the arbitration award in any federal or state court having jurisdiction.

1.9 ~~12.9~~ Despite the existence of the arbitration clause, the parties shall have the right to seek temporary restraining orders, preliminary injunctions, and similar equitable relief from a court pending arbitration of the merits of the claims. Any injunctive relief may be given without the necessity of Franchisor posting bond or other security and any such bond or other security is hereby waived.

1.10 ~~12.10~~ To the fullest extent permitted by law, the parties agree that any actions permitted to be brought under this Agreement by either party in any court may only be brought in a federal or state court serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced. Owners hereby irrevocably submit to the jurisdiction of the federal and state courts serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced and waive any objection you may have to the jurisdiction of or venue in such courts.

1.11 ~~12.11~~ Subject to the arbitration obligations in this Section 12, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county where the Franchisor's principal place of business is then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which Franchisee and Owners reside or the Franchised Business is located.

1.12 ~~12.12~~ If any party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

13. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the federal and state courts serving the judicial district in which Franchisor's principal headquarters are located at the time litigation is commenced. I hereby irrevocably submit to the exclusive jurisdiction of such courts and specifically waive any objection I may have to either the jurisdiction or exclusive venue of such courts. Further, I acknowledge that this Agreement has been entered into in the state of Texas, and that I am to receive valuable information emanating from Franchisor's headquarters in Bedford, Texas. In recognition of the information and its origin, I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Texas. Notwithstanding the foregoing, I acknowledge and agree that Franchisor may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

14. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE**.

15. Should this Agreement be signed or endorsed by more than one person or entity, all of the obligations herein contained shall be considered the joint and several obligations of each signatory.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Confidentiality and Non-Competition Agreement to be effective on the day and year first written above.

[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ACKNOWLEDGED BY FRANCHISEE:
[_____],
a [_____]

By: _____
[_____], its [_____]

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT F

TELEPHONE NUMBERS ASSIGNMENT AGREEMENT

This Telephone Numbers Assignment Agreement is made on [_____], by and between [_____] ("Assignor") and Sylvan Learning, LLC or its designee ("Assignee").

BACKGROUND

A. The Assignee has developed and owns the proprietary system ("System") for the operation of a facility under the trademark and logo SYLVAN LEARNING® ("Franchised Business");

B. The Assignor has been granted a license to operate a Franchised Business pursuant to a Franchise Agreement dated [_____], in accordance with the System;

C. To operate its Franchised Business, the Assignor shall be acquiring one or more telephone numbers, telephone listings and telephone directory advertisements; and

D. As a condition to the execution of the Franchise Agreement, the Assignee has required that the Assignor assign all of its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements to the Assignee in the event of a termination of the Franchise Agreement.

AGREEMENT

In consideration of the foregoing, the mutual premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the System, the Assignor hereby sells, assigns, transfers and conveys to the Assignee all of its rights, title and interest in and to certain telephone numbers, telephone listings and telephone directory advertisements pursuant to which Assignor shall operate its Franchised Business in accordance with the terms of the Franchise Agreement; provided, however, such Assignment shall not be effective unless and until the Franchise Agreement is terminated in accordance with the provisions thereof.

2. Representation and Warranties of the Assignor. The Assignor hereby represents, warrants and covenants to the Assignee that:

   (a) As of the effective date of the Assignment, all of the Assignor's obligations and indebtedness for telephone, telephone listing services and telephone directory advertisement services shall be paid and current;

   (b) As of the date hereof, the Assignor has full power and legal right to enter into, execute, deliver and perform this Agreement;

   (c) This Agreement is a legal and binding obligation of the Assignor, enforceable in accordance with the terms hereof;

   (d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which the Assignor is a party or by which the Assignor is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) The Assignor has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements, and the Assignor has obtained all necessary consents to this Assignment.

3. Miscellaneous. The validity, construction and performance of this Assignment shall be governed by the laws of the State of Texas. All agreements, covenants, representations, and warranties made herein shall survive the execution hereof. All rights of the Assignee shall inure to its benefit and to the benefit of its successors and assigns.

In witness whereof, the undersigned, intending to be legally bound, have executed this Telephone Numbers Assignment Agreement to be effective on the day and year first written above.

ASSIGNEE:	**ASSIGNOR:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT G

LEASE RIDER

THIS AGREEMENT is made and entered into on _____, 20___, by and among Sylvan Learning, LLC, having its principal offices at 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022 ("Franchisor"), [_____], having its principal offices at [_____] ("Landlord"), and [_____], having its principal offices at ("Tenant").

BACKGROUND

A. Landlord and Tenant have executed a lease agreement dated _____ ("Lease") for the premises located at ("Leased Premises") for use by Tenant as a business to be opened pursuant to Franchisor's proprietary marks and system in connection with a franchise agreement dated _____, by and between Franchisor and Tenant ("Franchise Agreement");

B. A condition to the approval of Tenant's specific location by Franchisor is that the Lease for the Leased Premises specify that the Leased Premises may be used only for the operation of a Sylvan Learning franchise facility ("Franchised Business") and contain the agreements set forth herein; and

C. Landlord acknowledges that Franchisor requires the modifications to the Lease set forth herein as a condition to its approving the Leased Premises as a site for the Franchised Business, and that Landlord agrees to modify and amend the Lease in accordance with the terms and conditions contained herein.

AGREEMENT

In consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. Use Clause. The Leased Premises shall be used as set forth in the Lease with any exclusive uses incorporated therein.

2. Termination of the Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated for any reason during the term of the Lease or any extension thereof, Tenant, upon the written request of Franchisor, shall assign to Franchisor, a subsidiary or affiliate of Franchisor, or any other franchisee of Franchisor subject to any assignment conditions set forth in the Lease (with respect to any franchisee, it shall be conditioned on franchisee's satisfaction of permitted transferee language as set forth in the lease, if any) (collectively hereinafter referred to as "Franchisor Assignee") all of its rights, title and interest in and to the Lease, and Franchisor Assignee may agree to assume from the date of assignment all of Tenant's obligations remaining under the Lease, and may assume Tenant's occupancy rights, and the right to sublease the premises, for the remainder of the term of the Lease. If Franchisor Assignee elects to accept the assignment of the Lease from Tenant, it shall give Tenant and Landlord written notice of its election to acquire the leasehold interest. Landlord hereby consents to the assignment of the Lease from Tenant to Franchisor Assignee and shall not charge any fee or accelerate rent under the Lease. Alternatively, in the event of a termination of the underlying Lease, Franchisor Assignee may elect to enter into a new lease with Landlord containing terms and conditions no less favorable than the Lease. Landlord and Tenant shall deliver possession of the Leased Premises to Franchisor Assignee, free and clear of all rights of Tenant or third parties,

subject to Franchisor Assignee executing an acceptance of the assignment of Lease or new lease, as the case may be.

3. Tenant's Agreement to Vacate Leased Premises. Tenant agrees to peaceably and promptly vacate the Leased Premises and, subject to Franchisor's right to acquire any such property pursuant to its Franchise Agreement with Tenant, to remove its personal property therefrom upon the termination of the Franchise Agreement. Any property not removed or otherwise disposed of by Tenant within 10 days of Franchisor assignee's election to accept assignment of the Lease shall be deemed abandoned.

4. Entry. Upon notice to Landlord as set forth in the Lease, Franchisor may enter the Leased Premises to make any modification necessary to protect Franchisor's proprietary system or 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.

5. Amendment of Lease. Tenant agrees not to amend the Lease in any material respect, except with the prior written consent of Franchisor.

6. Franchisor Not a Guarantor. Landlord acknowledges and agrees that notwithstanding any terms or conditions contained in this Agreement or any other agreement, Franchisor shall in no way be construed as a guarantor or surety of Tenant's obligations under the Lease except as may be set forth in any Guaranty attached to the Lease as applicable. Notwithstanding the foregoing, in the event Franchisor Assignee becomes the tenant by assignment of the Lease in accordance with the terms hereof or enters into a new lease with Landlord, then Franchisor Assignee shall be liable for all obligations of Tenant on its part to be performed or observed under the Lease or a new lease.

7. Document to Govern. The terms and conditions contained herein modify and supplement the Lease. Whenever any inconsistency or conflict exists between this Agreement and the Lease, the terms of this Agreement shall prevail.

8. Waiver. Failure of Franchisor to enforce or exercise any of its rights hereunder shall not constitute a waiver of the rights hereunder or a waiver of any subsequent enforcement or exercise of its rights hereunder.

9. Amendment of Agreement. This Agreement may be amended only in writing signed by all parties hereto.

10. Notices. Landlord shall deliver to Franchisor any default notices it issues to Tenant related to the Lease or the Leased Premises concurrently with giving such letters and notices to Tenant. If Tenant fails to cure any default within the period provided in the Lease, if any, Landlord shall issue to Franchisor written notice of such failure to cure within a reasonable amount of time but not exceed 10 days. All notices shall be delivered by certified mail at the addresses designated in the heading of this Agreement or to such other addresses as the parties hereto may, by written notice, designate.

11. Binding Effect. This Agreement shall be binding upon the parties hereto, their heirs, executors, successors, assigns and legal representatives.

12. Severability. If any provision of this Agreement or any part thereof is declared invalid by any court of competent jurisdiction, such act shall not affect the validity of this Agreement and the remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or part of provisions hereof.

13. Remedies. The rights and remedies created herein shall be deemed cumulative and no one such right or remedy shall be exclusive at law or in equity of the rights and remedies which Franchisor may have under this or any other agreement to which Franchisor and Tenant are parties.

14. Attorneys' Fees. If any of the parties to this Agreement commences a legal action against another party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit; the term "prevailing party" means a party that is awarded actual relief in the form of damages, declaratory relief, or injunctive relief, as well as a party that successfully defends a legal action commenced against it.

15. Governing law. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Leased Premises are located.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Lease Rider to be effective on the day and year first written above.

FRANCHISOR
SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

LANDLORD NAME

a _____, _____

By: _____
_____ (name)
_____ (title)

TENANT NAME
[_____],
a [_____]

By: _____
[_____], its [_____]

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT H

ACH AUTHORIZATION AGREEMENT
(VER. 08052021)

By executing below, the undersigned Franchisee authorizes Sylvan Learning, LLC ("Franchisor") ~~to~~, or its agents, assigns, or representatives, to credit or debit the account identified below to pay all fees, charges, and any other amounts Franchisee owes Franchisor or its parents, affiliates, or subsidiaries pursuant to the applicable Franchise Agreement, as amended, and any other agreements entered into between Franchisor and Franchisee, including, but not limited to, reimbursable or pass through expenses, the cost of any products or services Franchisee purchases from Franchisor, and, if necessary, to initiate adjustments for any transactions debited or credited in error. These debits and credits are related to the operation of the franchised business and the amount of each debit or credit will vary from month-to-month. This authorization will remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor a reasonable opportunity to act on it. Termination of this authorization may result in your Franchise Agreement being terminated unless an alternate means of payment acceptable to Franchisor is provided.

TERMS OF BILLING:
Starting immediately and continuing thereafter until your Franchise Agreement has expired or been terminated or alternate means of payment are approved by Franchisor, Franchisee authorizes Franchisor to initiate either an electronic debit or credit or to create and process a demand draft against my bank account listed below on or about the 15th day of each month for those sums authorized herein.

Franchisee's Bank Name: _____

Bank ABA Number (Routing Number): _____

Bank Account Number: _____

Bank Account Type (Checking/Savings): _____

Franchisee Federal Tax ID Number: _____

Territory Name: [_____, ___] _____

Franchisee (Insert legal name): _____

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

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT I

DASHBOARD ACCESS AGREEMENT

This Dashboard Access Agreement ("Agreement") is entered into by Franchisor and Franchisee on the effective as of the Effective Date and amends the terms of the franchise agreement entered into by the parties ("Franchise Agreement"). Capitalized terms not defined herein have the meaning ascribed in the Franchise Agreement.

WHEREAS, Franchisor created an online dashboard through Microsoft's Power BI to provide Sylvan Learning franchisees access to certain data, including, but not limited to, sales, operating expenses, membership sales and data, net promoter score, labor costs, and such other information as identified by Franchisor ("Data"); and

WHEREAS, Franchisee desires to purchase an optional license for Power BI through Franchisor, view the Data provided by Franchisee and others, and share its Data on Power BI such that it is visible to other Sylvan Learning franchisees.

In light of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. LICENSE. Franchisee acknowledges its desire to purchase _____ (insert number of licenses to be purchased) twelve-month Power BI license(s) and agrees to reimburse Franchisor the License Fee (as defined below) charged by Microsoft for each Power BI license purchased. The "License Fee" shall equal $10.00 per month per license plus applicable taxes, as such fee may be increased by Microsoft from time-to-time. There is no fee for the first license, but the License Fee shall apply to each license over one requested by Franchisee. Franchisor acknowledges the License Fee does not include any markup or rebate. Franchisee agrees Franchisor may bill the License Fee through the monthly royalty invoice and collect the License Fee pursuant to Franchisee's ACH Authorization on file. If there is no ACH Authorization on file, then Franchisee shall remit payment to Franchisor by the deadline by which royalties are due Franchisor under the Franchise Agreement. Time is of the essence in the performance of the payment obligations hereunder, and violations of this Agreement constitute a violation under the Franchise Agreement. Access to Power BI is subject to all restrictions set forth in the Operations Manual and Microsoft's terms, conditions, and license agreement available at https://powerbi.microsoft.com/en-us/windows-license-terms, which is incorporated herein. If Microsoft audits Franchisor's account and determines additional fees are due because of your violation of the terms, conditions, and license agreement, then Franchisee agrees to pay such sum to Franchisor upon request.

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

3. CONFIDENTIALITY. Franchisee agrees all Data Franchisor makes available to Franchisee through Power BI is Confidential Information as defined in the Franchise Agreement, and subject to confidentiality obligations and restrictive covenants set forth therein.

4. ~~4.~~ MISCELLANEOUS TERMS. This Agreement reflects the entire understanding of the parties regarding the subject matter hereof, may only be modified in writing, and supersedes any inconsistent or conflicting provisions of the Franchise Agreement. The remaining terms of the Franchise Agreement are unaffected by this Agreement and remain binding on the parties. The parties sign and deliver this Agreement to each other as shown below.

5. Users. Please identify the users (not to exceed 3 – if you need more than 3, please submit a Zendesk ticket) who will receive a license, their email, and role:

_____(Name) _____(Email) _____(Role)

_____ (Name) _____ (Email) _____(Role)

_____(Center Name(s))

_____ (Center to Bill)

FRANCHISOR:	**FRANCHISEE**:
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT J

BRIGHT HORIZONS PARTICIPATION AGREEMENT

As of _____ (the "Effective Date"), [_____] ("I" or "me") is opting to receive enrollment referrals from Bright Horizons Family Solutions, LLC ("Bright Horizons"), an opportunity which is available to me through the relationship between Sylvan Learning, LLC ("Sylvan") and Bright Horizons, and I acknowledge and agree with all of the below terms and conditions of participation. This Bright Horizons Participation Agreement ("Agreement") supplements Sylvan Franchise Agreement #[_____] for Protected Area #[_____] ("Franchise Agreement") and Center #[_____], located at [_____].

1. SERVICES. I will accept referrals from Bright Horizons and/or Sylvan under this program, and I will provide personalized in-person educational tutoring services in a variety of academic subjects (the "Services") to dependents of Bright Horizons Clients' employees ("Customers"). Group size shall be limited to no more than three (3) students to one (1) tutor.

2. STAFF REQUIREMENTS. Any staff member that is providing Services to a Customer student will meet the requirements for staff members set forth in Attachment A herein. I understand that Bright Horizons may request evidence of background screening and other required verifications from me as part of its quality review processes or otherwise in the event of an incident or complaint related to Services, and I agree to comply with any such request in a timely manner.

3. LOCATION. I understand that all Services must be delivered at my Sylvan Learning Center or approved Satellite, and no services may be delivered virtually, at the homes of Customers, or at any other location.

4. COMPLIANCE.

a. GOVERNING LAWS. I agree to perform the Services consistent with the highest professional standards of quality and in accordance with all governing laws, regulations, licenses, and certifications. I represent that my business (a) is in full compliance with all applicable regulatory requirements, (b) is in good standing with all regulatory authorities in the states or provinces in which it operates, and (c) possesses all licenses and permits required by law to provide the Services.

b. DATA SECURITY. I shall fully comply with all governing laws or regulations governing privacy, information security, and confidential information. Confidential Information includes, without limitation, proprietary information relating to Bright Horizons or Sylvan, whether written or oral, electronic or other form, and includes all personal information of Customers and enrolled students. I agree to bear all costs incurred to resolve a security breach of Confidential Information. I will notify Sylvan immediately in the case of any actual or suspected security breach, and I will cooperate fully with Sylvan and Bright Horizons to investigate and correct any such breach. I will ensure that all Confidential Information, including all personal and personally identifiable information, is preserved in a manner that prevents inappropriate disclosure, is retained only for as long as reasonably required, and is responsibly destroyed in a manner that prevents content recovery. Without limitation and notwithstanding any other provision of this Agreement, I agree that I shall

only use personal information provided by Bright Horizons for the purpose of communicating with Customers about the Services and for no other purpose whatsoever.

c. BRIGHT HORIZONS POLICIES. I agree to comply with the Bright Horizons Provider Program Policies attached as Attachment B. All information, forms, policies, and other materials made available by Bright Horizons or by Sylvan related to the services to be provided hereunder are subject to change. I shall review and familiarize myself with all information, forms, policies, and other materials provided to ensure compliance with all requirements relating to the services.

d. SYLVAN POLICIES. I will perform the Services in a manner consistent with Sylvan brand standards, as outlined by my Franchise Agreement and the Sylvan Operations Manual, and I ratify my commitment to comply with all requirements and obligations set forth in each such document. I agree to provide an effective ACH Authorization Agreement in the form set forth as Attachment H to the Franchise Agreement (or any substitute then-current form required by Sylvan) and provide current certificates of insurance demonstrating my compliance with Section 5 (Insurance) below; without meeting such forgoing requirements at the time of execution of this Agreement, this Agreement may be subject to immediate termination upon Sylvan's written notice to me.

5. INSURANCE.

a. I agree to hold the following insurance policies which are required by Bright Horizons at the time that I commence Services, and I acknowledge that these coverage requirements are subject to change from time to time with notice from Sylvan or Bright Horizons:

i Comprehensive general liability insurance with limits of not less than $1,000,000 combined single limit coverage for bodily injury or death and property damage;

ii Workers' compensation insurance as required by law; and

iii Physical and Sexual Abuse insurance with limits of not less than $1,000,000 per occurrence and $1,000,000 in the annual aggregate. Such insurance may be included as part of the Comprehensive General Liability policy or through a separate policy.

b. I agree to add "Bright Horizons Family Solutions, LLC and its parent, subsidiary and affiliated companies" as an "Additional Insured" on the above-referenced insurance policies. The address for Bright Horizons is 2655 W. Midway Boulevard, Suite 330, Broomfield, CO 80020. I understand that Bright Horizons may request a copy of the applicable Certificate(s) of Insurance, and I agree to comply with any such request in a timely manner.

6. RESERVATION PROCESS.

a. I understand that Customers will request a "Reservation" through the Bright Horizons benefits portal. Any Center that has opted into this program within a certain radius of the Customer's home address will be served to the Customer as an option for Services. I understand that Customers may be provided multiple Center options in addition to my Center, and Customers will be able to choose their preferred Center based on convenience and any factors they deem relevant.

b. If the Customer selects my Center, then my Center will receive an email with the "Reservation Details", including the Customer and Student Name, the Reservation Number,

the Reservation Creation Date, the Reservation Expiration Date, and the number of hours in the Reservation.

c. When my Center receives a Reservation, the Center staff will input the Customer into Hub, create a task in Customer 360 to document the Reservation Number and Details, and contact the Customer to proceed with enrollment within twenty-four (24) hours of receipt of the Reservation. I will use reasonable efforts to accommodate the scheduling of Services in any academic subject that I currently support at a convenient time for the Customer.

d. Once enrolled, if an Initial Assessment is conducted, it can be included as a billable instructional session.

e. Only sessions that occur on or after the Reservation Creation Date and on or before the Reservation Expiration Date, up to the total value of the Reservation, are billable. The Reservation Expiration Date is determined by Bright Horizons and its Clients.

f. I will not knowingly accept any initial requests for any Reservations from any Customer outside of the process outlined above.

7. INVOICING PROCESS.

a. Sylvan will review all billable sessions for my Center, based on Reservation Details and Hub session attendance, on the 5th day of each month for the prior month.

b. Sylvan will invoice Bright Horizons for all prior month's billable sessions in my Center on my behalf at the agreed upon rate of fifty-three United States dollars ($53.00) per hour, and Bright Horizons will be required to pay the invoice within thirty (30) days of the invoice date.

c. I understand that I must maintain accurate attendance records in Hub, as this will determine the amount that is invoiced to Bright Horizons. I agree to forfeit any amount that I may be due for Services if I did not properly record the session attendance in Hub by the end of the month in which the Services were delivered.

d. When Sylvan receives the payment from Bright Horizons, Sylvan will remit the funds collected on my behalf to my Center. I understand that Sylvan will not be able to send me the funds until Sylvan has received such funds from Bright Horizons. Alternatively, Sylvan may apply the funds collected from Bright Horizons as a credit against any past, current, and future amounts I may owe to Sylvan under the Franchise Agreement.

e. I will report all revenue that I receive from Sylvan in connection with the Services on my Hub Revenue Report each month, and I will pay Royalty Fee in the Franchise Agreement on the amount of revenue received from Sylvan in connection with the Services, and any other fees assessed on gross revenue under the Franchise Agreement. I acknowledge that if I am behind on any payments owed to Sylvan, then Sylvan shall have the right to withhold the required royalty fee from my Center's funds from Bright Horizons before it forwards such funds to my Center. Sylvan also reserves the right to withhold additional funds owed to my Center from Bright Horizons up to the full amount of the outstanding balances that my Center owes to Sylvan.

f. I will not collect any payments of fees from any Customer unless the Customer's allotted hours for the year are exhausted; under such circumstances, if the Customer chooses to continue Services at my Center, then the Customer may continue as a private customer subject to my Center's regular instructional hourly rate.

8. CANCELATION.

a. CANCELATION OF SESSIONS. Any changes or cancelations of scheduled tutoring sessions shall be communicated by the Customer to the Center. I agree to work directly with the Customer to reschedule any sessions for a convenient time.

b. CANCELATION OF THE RESERVATION. Any cancelation of the Reservation shall be communicated by the Customer through Bright Horizons. I agree to accept any cancelation requests that come from Bright Horizons or Sylvan.

9. EXCLUSIVITY. I agree not to offer, solicit to provide, or agree to provide employer-sponsored dependent care as part of any other dependent care provider network in any geographical location in which Bright Horizons provides such services, during the term of this Agreement and for up to and one year following the termination or expiration hereof. I agree not to partner with any other party to offer, sell, or provide a combined employer sponsored back-up dependent care offering during the term and for up to one year following the termination or expiration hereof. To the extent that I currently participate in any other employer-sponsored dependent care network, I agree to cease participation in such network as soon as practicable and, in any event, within thirty (30) days of the Effective Date.

10. ADDITIONAL BRIGHT HORIZONS OPPORTUNITIES.

a. COLLEGE COACHING. By submitting this Agreement, I may be permitted, on a pilot basis, to participate as a reseller of the College Coaching program offered by Bright Horizons to support rising and current high school senior students in developing their college applications. If so, I would be eligible to sell the College Coaching program to new and existing customers at my Sylvan Learning Center, and Bright Horizons would deliver the services under the College Coaching program, including, without limitation, by providing counseling sessions, webinars, and essay review. I would be responsible for collecting fees from customers who want to enroll in the College Coaching program and forwarding a portion of such fees to Bright Horizons or Sylvan, as directed. I agree that any revenue I may collect and retain in connection with the College Coaching program will be subject to 16% royalty fees due to Sylvan (or such other rate as my Franchise Agreement may specify). I understand that, given its pilot nature, details and processes related to the College Coaching program are subject to change. If I participate, I agree to comply with all policies and requirements of the College Coaching program, which may be provided separately in writing.

b. ENHANCED FAMILY SUPPORTS. I agree to provide a 15% discount to current and future Bright Horizons Customers who are participating in the Bright Horizons Enhanced Family Supports program. This partnership offers families discounted services that are not subsidized by their employer, unlike the Services otherwise referenced in this Agreement, which are subsidized by the employer. The discount referenced herein does not apply to the Services related to this Agreement for in-person tutoring which is subsidized by the Bright Horizons' Clients.

11. TERM. The term of this Agreement shall commence on the Effective Date and continues until the end of the term of the Franchise Agreement, unless otherwise terminated by either party in writing upon 30 days written notice, subject to Section 4.d. above and the Franchise Agreement.

12. INDEMNIFICATION. **I AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS SYLVAN AND BRIGHT HORIZONS, AND EACH OF THEIR AFFILIATES, SUCCESSORS AND ASSIGNS, EMPLOYEES, OFFICERS, DIRECTORS, AND AGENTS FROM AND AGAINST ANY AND ALL LIABILITY, DAMAGES, SETTLEMENTS, LOSSES, EXPENSES,**

AND COSTS (INCLUDING REASONABLY ATTORNEYS' FEES AND EXPENSES) ARISING OUT OF OR IN CONNECTION WITH ANY THIRD-PARTY CLAIMS OR CAUSES OF ACTION, MADE OR THREATENED, AS A RESULT OF MY BREACH OF THIS AGREEMENT, OR THE NEGLIGENCE OR WILLFUL MISCONDUCT OF MY STAFF OR ME IN CONNECTION WITH DELIVERY OF THE SERVICES.

13. GOVERNING AGREEMENT; RELEASE. I acknowledge that this Agreement is governed by my Franchise Agreement and that if I violate this Agreement, my Franchise Agreement will be subject to default and termination. Likewise, I acknowledge that if I am declared in default under my Franchise Agreement, Sylvan will have the right to terminate my participation with Bright Horizons. All of Sylvan's rights under my Franchise Agreement shall apply to this Agreement.

14. COUNTERPARTS AND EXECUTION. This Agreement, if so desired, may be executed in counterparts, each of which, when so executed, shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Due to the differing schedules and/or locations of the Parties, it is further agreed the use of electronic signatures shall not diminish the enforceability of this Agreement or any of its terms and shall be considered as legally binding and enforceable as if they were handwritten signatures. This applies to all types of electronic signatures, regardless of the technology used to create or apply them.

15. THIRD-PARTY BENEFICIARY. I agree that Bright Horizons shall be considered a third-party beneficiary of this Agreement and will be able to enforce fully the provisions of this Agreement.

By signing this form, I confirm that I have reviewed all of the above terms and conditions related to my participation in Bright Horizons programs, and I agree to comply in all respects.

FRANCHISEE:
[_____],
a [_____]

By: _____
[_____], its [_____]

Attachment A
Staff Member Qualifications and Background Screening

I. STAFF MEMBER QUALIFICATIONS. Each Member eligible to provide the Services must comply in full with the following requirements:

EDUCATION/EXPERIENCE.

- Each Staff Member must be qualified and have the appropriate educational degrees and/or equivalent experience.

REFERENCES.

- Each Staff Member must have a minimum of two (2) relevant and satisfactory employment references.

TRAINING.

- At least one Staff Member on duty must be trained in First Aid and CPR.
- Each Staff Member must be trained in emergency protocols and procedures.

MINIMUM AGE.

- All Staff Members who are providing Services must be at least 18 years of age.

II. BACKGROUND SCREENING. In addition to all background checks and employment verifications required by law and Provider's policies, each Franchisee shall perform or cause to be performed a Background Check (within twelve months prior to being permitted to provide Services and at least once every thirty-six months), and Verification (prior to being permitted to provide Services) on each Staff Member. Each Staff Member must successfully pass a Background Check and Verification. Each Franchisee agrees to use either a governmental law enforcement authority or similar regulatory agency or service, or a reputable professional background screening vendor who is accredited and in good standing with the National Association of Professional Background Screeners under its Background Screening Agency Accreditation Program, or a combination of such government authorities, and professional vendors, to perform all Background Checks on Staff Members. In the event of any actual or suspected incident or complaint or other concern involving a Staff Member, each Franchisee shall perform additional background checks and verification reasonably requested by Bright Horizons including, without limitation, a 14-panel drug test.

[CONTINUED ON FOLLOWING PAGE.]

"Background Check" shall mean a background check using all known names/aliases consistent with the following requirements:

CATEGORY	REQUIREMENT
SOCIAL SECURITY NUMBER TRACE	Social Security Number trace which identifies all addresses and aliases
CRIMINAL RECORD BACKGROUND CHECKS	Federal and state or county criminal history checks, plus national criminal record database check, for federal and state felony and misdemeanor criminal convictions. All information must be obtained from primary sources rather than database searches (except for the national criminal record database check). Any records identified in the national criminal record database check must be verified through a primary source.
LOCATION AND TIME PERIOD OF CHECKS	Criminal history checks shall include all locations where employee has resided, been employed, or attended school in the past 7 years. International checks are required where employee has resided outside of the United States within the past 7 years.
OFAC CHECK	Search of U.S. Office of Foreign Assets Control Specially Designated National and export denial lists
SEX OFFENDER REGISTRIES	Check national sex offender registry, and all state sex offender registries in states in which the employee has resided or worked

"Verification" shall mean:

CATEGORY	REQUIREMENT
PERSONAL INFORMATION	Name, date of birth and Social Security Number verified
LICENSES AND CERTIFICATIONS	Professional licenses and certifications verified
LEGAL RIGHT TO WORK	Citizenship, most recent country of permanent residence and legal right to work verified through I-9 process
EDUCATION	Education verified in accordance with Provider's requirements
EMPLOYMENT HISTORY	Work experience verified
REFERENCE CHECK	Two relevant and satisfactory reference checks

The following must be true: (A) each Staff Member providing the Services has successfully passed a Background Check and Verification, (B) no Staff Member providing the Services has a record of any prior conviction or other record of criminal activity inconsistent with the Staff Member's responsibilities and the safety and security of Dependents, and (C) no Staff Member or other employee shall provide Services or otherwise have access to any Dependent if that Staff Member or other employee: (1) has been convicted of a felony or misdemeanor (or the equivalent thereof under relevant non-U.S. law) other than for the following convictions: (a) a minor traffic violation (a moving traffic violation other than reckless driving, hit and run, driving to endanger, vehicular homicide, driving while intoxicated or other criminal offense involving gross negligence, recklessness, intentional or willful misconduct while operating a motor vehicle), (b) a conviction that has been legally expunged, or (c) a conviction for a

misdemeanor that occurred while the Staff Member was under the age of twenty-one years; or (2) is on a U.S. Government Specially Designated National or export denial list; or (3) is identified in a sexual offender registry; or (4) does not have the legal right to work in the United States.

[REMAINDER OF PAGE INTENTIONALLY BLANK.]

Attachment B
In-Person Tutoring Program Provider Policies

INCIDENTS DURING IN-PERSON TUTORING PROGRAM SERVICES.

- Parents should be promptly notified of any injuries/incidents that occur during the tutoring session by phone call, text, email, or in person at the end of the session.

- Provider shall promptly notify its insurers of any claim or possible claim and provide Bright Horizons with evidence of that notification upon request.

QUALITY CONTROL AND SAFETY.
Provider shall reserve the right to monitor tutoring sessions (live or through recordings, if permitted by a Dependent's parent/guardian) to ensure the quality of the Services and the health and safety of Dependents. Recordings shall be made available to Bright Horizons upon request. Provider shall immediately notify a Dependent's parents/guardians and Bright Horizons in the event of any inappropriate discussions between a Staff Member and Dependent that occur during the provision of Services or communications or attempted communications of any nature which occur outside of Provider's platform.

RATIOS.
Provider and its Franchisees shall provide In-Person Tutoring in accordance with its standard ratios and shall ensure that at least two Staff Members meeting these requirements are present at the facility at all times during In-Person Tutoring.

PRIVACY.
Provider shall ensure Services comply with all applicable privacy laws, including, but not limited to the Children's Online Privacy Protection Act (COPPA), the California Consumer Privacy Act (CCPA) and any other federal, state or local privacy laws or regulations, or for Dependents located in Canada, any applicable Canadian national or provincial laws, including but not limited to the Personal Information Protection and Electronic Documents Act (PIPEDA). Provider shall cooperate with Bright Horizons with all requests for information to demonstrate compliance with privacy or other legal requirements.

EMERGENCY SITUATIONS.
In the event a Staff Member observes an emergency situation, the Staff Member will immediately notify the Dependent's parents/guardians in person, by phone and text messaging, and/or through calling 911 if a parent/guardian is not immediately available and shall also immediately notify Bright Horizons.

PHOTOS, VIDEOS, AND SOCIAL MEDIA.
Except as directed by Bright Horizons and except in accordance with Provider's standard procedures for internal quality control, Provider will not use photos or video of Dependents for any purpose, including, but not limited to, use on social media platforms, Provider's website or promotional materials or any other website, unless a parent or guardian has granted consent to use of photos/videos by agreeing to Provider's standard photo and video release terms.

Required Provider Policies

Provider shall ensure it has in place and complies with appropriate policies addressing the following:

- Session sign-in and sign-out process

- Positive behavior guidance and management

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT K

mySylvan Marketplace+℠ Agreement

This mySylvan Marketplace+℠ Agreement (this "Pilot Agreement") is entered into _____ (the "Effective Date") by and between Sylvan Learning, LLC (together with its designated affiliates, "Sylvan") and _____ ("Franchisee") concerning certain operations within Sylvan Learning located in _____ (the "Protected Area"), supplements the Sylvan Learning Franchise Agreement dated ____ (the "Franchise Agreement").

WHEREAS, Sylvan has developed certain proprietary technology, digital assets, systems, business methods, techniques, and methodologies designed to be used in connection with portable proprietary computer systems and the Internet to provide an online digital marketplace accessible via web browser and mobile applications available on Android and iOS devices (the "Marketplace Platform") through which Sylvan or its affiliate facilitates scheduling of and payment for tutoring services offered by independent contractors to customers; and

WHEREAS, Franchisee desires to participate in the Marketplace Platform program ("Pilot"), a portion of which shall be conducted in Franchisee's Protected Area, subject to the terms and conditions of this Pilot Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing recitals shall be incorporated herein by reference.

2. General. The Marketplace Platform, is designed to (a) connect consumers seeking one-on-one supplemental education services for students in grades K-12 (each a "Consumer") with qualified, professional tutors contracted by Sylvan who are able to meet the requested learning needs (each a "Tutor"); (b) facilitate scheduling of tutoring sessions directly between the Consumer and the selected Tutor (each a "Session") at a mutually agreed upon location acceptable to Sylvan, including through live, online platforms; (c) enable and process direct online payment by the Consumer to the Tutor; and (d) collect the administrative fees ("Tutor Fees") owed by Tutor to Sylvan in connection with each Session delivered by the Tutor. Tutors and Consumers control their own scheduling of Session s through the Marketplace Platform, and all payments are processed automatically upon the completion of a Session directly though the Marketplace Platform using the credit card saved to the Consumer's online account.

3. Sylvan's Rights. Pursuant to reserves rights under the Franchise Agreement, Sylvan is permitted (a) to operate businesses, and offer and sell services, programs, and products within the Protected Area which do not comprise a part of the Sylvan System and, in connection therewith, to exploit Sylvan's Proprietary Marks (as defined in the Franchise Agreement), name, reputation, and know-how; (b) to use the Proprietary Marks and other aspects of the Sylvan System in conjunction with activities not contemplated by Sylvan as being conducted solely through or at Sylvan Centers; and (c) to offer, distribute, use, and/or sell components of the Sylvan System through courses or programs offered and conducted by methods or through facilities other than Centers within the Protected Area or outside the Protected Area. Based on the foregoing, Franchisee acknowledges and agrees that Sylvan has the right to offer and deliver services through the Marketplace Platform (including, without limitation, advertising the Marketplace Platform, recruiting Tutors, and collecting Tutor Fees) within Franchisee's Protected Area without seeking or obtaining consent by Franchisee or compensating

Franchisee in connection therewith. Sylvan reserves the right to rebrand the Marketplace Platform, as needed, and to grant or revoke the rights to use such brand names, as applicable.

4. Ownership of Intellectual Property. All intellectual property related to Marketplace Platform, including copyrights, trademarks, and patents (the "IP"), is owned by Sylvan and third parties with whom Sylvan has contracted and from whom Sylvan has licensed such IP. Franchisee acquires no rights in the IP, customer data, Session information, Tutor data, or any other data related to the Marketplace Platform, which shall all be considered part of the IP owned solely by Sylvan. Sylvan's maintenance and renewal of the IP shall be at Sylvan's sole discretion. Franchisee hereby assigns to Sylvan all intellectual property rights associated with Franchisee's ideas, suggestions, and improvements relating to the Marketplace Platform.

5. Delivery and Maintenance of the Marketplace Platform Software. Sylvan will be responsible for the maintenance and support of the Marketplace Platform software, which shall remain the property of Sylvan. Sylvan will control the access to the Marketplace Platform by Tutors and Consumers within Franchisee's Protected Area. Franchisee shall not obtain any administrative access to the Marketplace Platform, including the right to add or view Tutor or Consumer data, or to modify Sessions scheduled within the Marketplace Platform.

6. Tutor Fees. The Tutor Fees charged by Sylvan in the Protected Area shall be determined by Sylvan at its sole discretion.

7. Session Fees. Sylvan shall provide a credit to Franchisee, during the term of this Pilot Agreement, in the amount of the hourly session fees ("Session Fees"), determined by Sylvan at its sole discretion and published by Sylvan from time to time, relating to the delivery of Sessions completed within Franchisee's Protected Area. The Session Fees shall be paid from the Tutor Fees collected by Sylvan from Tutors, and shall be based upon the duration and location of the Session. A Session is generally as instruction delivered either online or in-person at the Consumer's home or other mutually agreeable appropriate location by one (1) Tutor to one (1) or more Consumers lasting in duration at least thirty (30) minutes. The credit shall be applied against any royalty and all other fees owed by Franchisee to Sylvan under the Franchise Agreement in the past, now, or in the future and shall be reflected in the monthly billing statement issued by Sylvan pursuant to then-current reporting practices. Franchisee understands that no Session Fee shall be paid by Sylvan to Franchisee for Sessions delivered outside of Franchisee's Protected Area.

8. Franchisee Obligations. Franchisee agrees to perform the following obligations.

    a) Providing Feedback. Franchisee agrees to routinely participate in focus groups and provide requested feedback relating to Franchisee's experiences with the Marketplace Platform and Sessions, including any feedback from Consumers in Franchisee's Protected Area of which Franchisee may be aware.

    b) Local Marketing. Franchisee shall use its best efforts to market the Marketplace Platform to both Tutors and Consumers in the Protected Area. Franchisee may discuss and demonstrate the Marketplace Platform with customers and prospective customers.

9. Sylvan Franchise Agreement. Franchisee shall market the Marketplace Platform pursuant to this Pilot Agreement and the Franchise Agreement. Franchisee acknowledges and agrees that the Marketplace Platform offering is separate from the Proprietary Services offered pursuant to the Franchise Agreement; however, this Pilot Agreement shall be governed by the terms and conditions of the Franchise Agreement, unless otherwise stated herein. Any breach of this Pilot Agreement by Franchisee shall constitute a material breach of the Franchise Agreement. Notwithstanding the

foregoing, in the event of an express conflict between the Franchise Agreement and this Pilot Agreement concerning only the subject matter hereof, this Pilot Agreement shall govern.

10. No Performance Representations. Sylvan expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any statement, representation, warranty, or guarantee, express or implied, concerning Franchisee's potential performance with respect to the Pilot, including, but not limited to, potential sales volume, cost savings, profitability, success, or effect on Franchisee's Sylvan Learning business. Franchisee acknowledges and agrees that participation in the Pilot is voluntary. No such statement, representation, warranty, or guarantee has been authorized by Sylvan. Franchisee has conducted an independent investigation of the Pilot and understands and acknowledges that it involves certain business risks which make the outcome of Franchisee's business venture largely dependent upon factors outside of Franchisee's control, as well as the business abilities and participation of Franchisee and its efforts as an independent business operator. Franchisee assumes all risks related to the Pilot, including the possibility that the Sylvan Learning Center(s) operated by Franchisee in the Protected Area may lose potential customers due to the introduction of the Marketplace Platform in the Protected Area and the surrounding area. Sylvan expressly disclaims all liability for any such losses. Franchisee acknowledges and agrees that Franchisee is accountable for Franchisee's actions, inactions, and omissions in connection with Franchisee's business.

11. Franchise Offering Disclaimer. Nothing in this Pilot Agreement shall be construed as an offer to sell a franchise. The offers contained herein are available only to existing Sylvan Learning franchisees. No franchises concerning the Marketplace Platform will be sold to any party until the offering has been duly registered and declared effective by the applicable jurisdiction and the required Franchise Disclosure Document has been delivered to the prospective franchisee before the sale in compliance with applicable law. Nothing in this Paragraph should be construed as a waiver of any applicable exemption provisions that may be available to Sylvan.

12. Limitations of Pilot Participation. The parties acknowledge and agree that the Marketplace Platform is available in the Protected Area on a potentially temporary basis and that it will evolve over time as the parties gain a better understanding of its impact on the market. Nothing in this Pilot Agreement binds either party to continue participation in the Pilot following the expiration or termination of this Pilot Agreement; moreover, nothing in this Pilot Agreement shall create any binding precedent for terms and conditions of any future or subsequent agreement which may be offered in connection with the Marketplace Platform. Notwithstanding anything to the contrary in this Pilot Agreement, Franchisee expressly acknowledges and agrees that (a) the Pilot may be discontinued or modified at any time by Sylvan at its sole discretion; (b) Sylvan shall have the right, but not the obligation, to offer the Pilot model or a variant thereof as a license of franchise program (the "Future Program") and on such terms and conditions as Sylvan deems appropriate in its sole discretion; (c) Sylvan shall not be obligated to offer to Franchisee the right to participate in any Future Program; and (d) Franchisee shall not be obligated to participate in any Future Program. The rights secured by Franchisee pursuant to this Pilot Agreement are limited solely to those explicitly stated herein and Franchisee has no other rights, express or implied, during the term of this Pilot Agreement or after its termination by either party.

13. Confidentiality. Franchisee acknowledges that this Pilot Agreement, all information related to the Pilot, and any other information generated from this Pilot Agreement is subject to the confidentiality and nondisclosure covenants in the Franchise Agreement.

14. Term and Termination. The term of this Pilot Agreement shall commence on the Effective Date and continue until the earliest to occur of: (a) Franchisee and Sylvan enter into a subsequent agreement (if any) concerning the Marketplace Platform or similar offering; (b) Franchisee terminates this Pilot Agreement pursuant to this Paragraph; (c) Sylvan terminates this Pilot Agreement pursuant to this Paragraph; or (d) the Franchise Agreement terminates for any reason. Franchisee may not terminate this Pilot Agreement for any or no reason during the first one hundred twenty (120) days following the Effective Date. Following such initial 120-day period, Franchisee may terminate this Pilot Agreement for convenience upon sixty (60) days' advance written notice to Sylvan. Sylvan may terminate this Pilot Agreement for convenience upon 30 days' prior written notice. Sylvan may terminate this Pilot Agreement immediately upon ten (10) days' prior written notice if (a) Franchisee commits any material breach of this Pilot Agreement or the Franchise Agreement; or (b) Sylvan licenses to a third-party franchisee the right to open and commence operation of a Sylvan Learning Center in an area within close proximity to the Protected Area such that the area surrounding the Protected Area is no longer controlled solely by Franchisee or a set of franchisees all willing to participate in the Pilot. The term "day" as used in this Pilot Agreement shall mean a calendar day, rather than a business day.

15. No Warranties. FRANCHISEE UNDERSTANDS AND ACKNOWLEDGES THAT THE MARKETPLACE PLATFORM AND THE PILOT GENERALLY ARE BEING PROVIDED HEREUNDER ON AN "AS-IS" BASIS. SYLVAN DISCLAIMS ANY AND ALL WARRANTIES AND GUARANTEES RELATED TO EACH OF THEM INCLUDING, WITHOUT LIMITATION, THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

16. Waiver; Release. Sylvan reserves the right and privilege in its sole discretion as it may deem in the best interest of all concerned in any specific incident, to vary standards for any franchisee participating in the Pilot based upon peculiarities of a particular set of circumstances, demographics, or other conditions which Sylvan deems to be of importance to the successful operation the Pilot. Franchisee shall have no recourse against Sylvan on account of any variations and shall not be entitled to require Sylvan to grant Franchisee like or similar terms. No failure of Sylvan to exercise any power reserved to it by this Pilot Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Sylvan's right to demand exact compliance with the terms herein. No waiver or approval by Sylvan of any particular breach or default by Franchisee, nor any delay, forbearance, or omission by Sylvan to act or give notice of default or to exercise any power or right arising by reason of such default hereunder, shall be considered a waiver or approval by Sylvan of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Pilot Agreement. In consideration of the benefits provided to Franchisee hereunder, Franchisee agrees to fully and completely release, acquit, and forever discharge Sylvan and its affiliates, and each of their respective employees, officers, and directors, collectively, separately, and severally, of and from any and all demands, damages, or claims of every kind and nature whatsoever, foreseen and unforeseen, known or unknown, that arise out of or relate to the Franchise Agreement or this Pilot Agreement.

17. Entire Agreement. This Pilot Agreement shall constitute the entire agreement between the parties related to the subject matter hereof, and shall supersede all prior oral or written statements, understandings, or negotiations concerning the Pilot and the Marketplace Platform. Except as otherwise provided herein, neither Sylvan nor Franchisee may modify this Pilot Agreement except by an instrument in writing between Sylvan and Franchisee.

18. Choice of Law. This Pilot Agreement shall in all respects be governed by and be construed under the internal laws of the State of Texas, without giving effect to its conflict of laws rules.

19. Counterparts. This Pilot Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. An electronic signature shall be given the same effect as an original in-ink signature.

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

SYLVAN:	**FRANCHISEE**:
SYLVAN LEARNING, LLC, a Delaware limited liability company	_____, a _____
By: _____ Susan Valverde, President	By: _____ ____, ____

EXHIBIT F
TO THE FRANCHISE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT, ATTACHMENTS, AND STATE SPECIFIC AMENDMENTS

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

SUMMARY PAGE

EFFECTIVE DATE:	[_____, 20__].
DEVELOPER:	[_____].
ADDRESS FOR NOTICES:	_____.
TELEPHONE NUMBER:	(___) ___-____.
E-MAIL ADDRESS:	_____@_____.com.
FRANCHISOR:	SYLVAN LEARNING, LLC, a Delaware limited liability company.
ADDRESS FOR NOTICE:	2350 Airport Freeway, Suite 505, Bedford, Texas, 76022.
DEVELOPMENT AREA NAME:	[_____, __]; [_____, __]; and [_____, __].
NUMBER OF UNITS TO BE DEVELOPED:	____ Units.
DEVELOPMENT FEE:	$_____.

.

.

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

1. GRANT 1
2. TERM OF DEVELOPMENT AGREEMENT 3
3. FEES 3
4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS 4
5. DUTIES OF THE PARTIES 7
6. COVENANTS 7
7. INDEPENDENT CONTRACTOR AND INDEMNIFICATION 9
8. TRANSFER OF INTEREST 10
9. DEFAULT AND TERMINATION 13
10. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP 15
11. GOVERNING LAW; DISPUTE RESOLUTION 16
12. NOTICES 18
13. CONSTRUCTION 18
14. REPRESENTATIONS 20

STATE SPECIFIC ADDENDA

ATTACHMENTS

Attachment A Glossary of Additional Terms
Attachment B Development Schedule and Development Area
Attachment C Developer's Owners and Key Personnel
Attachment D Undertaking and Guaranty

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of the Effective Date reflected in the Summary Page ("Effective Date"), by and between Sylvan Learning, LLC, a Delaware limited liability company ("Franchisor"), and the Developer identified on the Summary Page ("you" or "Developer").

A. Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive business system relating to operation of 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 name SYLVAN®, SYLVAN LEARNING®, SYLVANSYNC®, and other related trademarks (the "Brand"), which are based on and include the Proprietary Services, Proprietary Marks, Indicia, and Standards ("System").

B. The distinguishing characteristics of the System include, without limitation, our program curricula, in-person educational tutoring services in a variety of academic subjects, products, and merchandise, which incorporate Franchisor's Proprietary Marks, trade secrets, and proprietary information ("Proprietary Services"); distinctive exterior and interior design, decor, color scheme, graphics, fixtures, and furnishings ("Indicia"); standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs ("Standards"); all of which may be changed, improved, and further developed by Franchisor from time-to-time.

C. The System is identified and recognized by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the word mark "Sylvan," "Sylvan Learning," "SylvanSync," and the list of trademarks set forth in Attachment A to this Agreement, and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as Franchisor may hereafter designate in writing for use regarding the System ("Proprietary Marks").

D. Franchisor and its Affiliates continue to develop, establish, use, and control the use of the Proprietary Services, Proprietary Marks, Indicia, Standards, and System to identify for the public the source of services and products marketed under this Agreement and under the System, and to represent the System's high standards of quality, appearance, and service.

E. You desire the right to develop multiple units under the System and Proprietary Marks ("Units" or "Franchised Locations") and Franchisor desires to grant you such rights, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT

1.1. Grant of Unit Development Rights

1.1.1. Franchisor hereby grants to you certain development rights, and you hereby accept the right and obligation to develop no less than the specified number of Units identified on the Summary Page in the Development Area identified in Attachment B within the timeframe set forth in the Development Schedule identified in Attachment B. Each Unit to be developed shall be developed and operated pursuant to a separate franchise agreement in accordance with Section 4.1.

1.1.2. This Agreement grants you no right or license to use any of the Proprietary Marks; your right to operate a Unit and license to use the Proprietary Marks derives solely from the Franchise Agreements that you will enter into under this Agreement.

1.1.3. The development rights granted under this Agreement belong solely to you: you may not share them, divide them, subfranchise, or sublicense them, or transfer them, except in accordance with the transfer provisions of this Agreement.

1.2. Development Area Protection. During the term of this Agreement, Franchisor shall not own or operate, or grant anyone else the right to operate, a Sylvan Learning business within the Development Area.

1.3. Franchisor's Reserved Rights. Notwithstanding anything to the contrary, Franchisor retains the following rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Developer any rights therein:

(a) To own, acquire, establish, and/or operate and license others to establish and operate, Sylvan Learning businesses under the System at any location outside the Development Area notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of the Developer's Units;

(b) To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar or different from Sylvan Learning businesses, at any location within or outside the Development Area, notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of the Developer's Units. Nothing in this Agreement prohibits or restricts Franchisor from owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (i.e., a mark other than the Proprietary Marks), whether or not the business is the same as or competitive with Sylvan Learning businesses;

(c) To sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers, distributors, catalogs, mail-order, toll-free numbers for delivery, or electronic means (e.g., the Internet), including products bearing the Proprietary Marks; and

(d) To acquire one or more retail businesses that are the same as, or similar to, Sylvan Learning businesses then operating under the System (each an "Acquired Business"), which may be at any location within or outside the Development Area notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of Developer's Units, and

(e) To operate and/or license others to operate any Acquired Business under its existing name or as a Sylvan Learning business under the System, subject to the following conditions that apply to each Acquired Business located within the Development Area:

i. Provided that Developer is in compliance with this Agreement and any other agreement with Franchisor, Franchisor may, in its sole discretion, offer to Developer the option to purchase and operate, as a Sylvan Learning business, an Acquired Business that is purchased by Franchisor for operation by Franchisor or its affiliates. If Franchisor in its sole discretion offers to Developer such an option, Franchisor shall provide Developer with written notice of Franchisor's purchase of the Acquired Business(es), the terms and conditions applicable to the Developer's option to purchase such Acquired Business(es), and such other information that

Franchisor deems necessary to include in the notice. The terms and conditions offered to Developer shall include, without limitation, the following: (a) the purchase price which shall be determined by Franchisor in its sole discretion; and (b) the requirement that Developer enter into Franchisor's then-current form of franchise agreement for the Acquired Business, provided that Developer shall not be required to pay an initial franchise fee for an Acquired Business.

ii. If Developer does not elect to purchase, or fails to complete the purchase of, an Acquired Business, Franchisor shall retain its right to operate itself, or through its affiliates or third-party franchisees or franchisees, the Acquired Business under any trade name or trademarks including the Proprietary Marks. If an Acquired Business is part of a system of retail businesses that Franchisor acquires (an "Acquired System"), franchised or otherwise, Franchisor may also license or franchise to third parties under the Acquired System additional units of the Acquired System so that such third parties have the right to develop and operate within the Development Area.

1.4. No Rights to Use the System. This Agreement is not a franchise agreement and does not grant to Developer any right to use the Proprietary Marks or the System or to sell or distribute any products or services. Developer's rights to use the Proprietary Marks and System will be granted solely under the terms of the Franchise Agreement.

2. TERM OF DEVELOPMENT AGREEMENT

2.1. Term. Unless sooner terminated, the term ("Term") of this Agreement begins on the Effective Date and, unless otherwise negotiated, terminated, or extended as provided in this Agreement, expires on the date on which you have completed your development obligations under this Agreement pursuant to Attachment B.

2.2. Effect of Termination or Expiration. Upon termination or expiration of this Agreement, all territorial protection afforded under this Agreement ends (particularly under Section 1.2. above), and you have no further right to develop any Units for which a Franchise Agreement has not been signed. Termination or expiration of this Agreement does not affect any rights or obligations under any then-existing Franchise Agreements. For purposes of clarity, upon expiration or termination, Developer shall no longer have any rights to the Development Area other than the Protected Areas defined in each Unit's then-existing Franchise Agreement. This Agreement cannot be renewed upon termination or expiration.

3. FEES

3.1. Development Fee. Upon execution of this Agreement, you shall pay to Franchisor a Development Fee in the amount set forth on the Summary Page ("Development Fee") pursuant to the Development Fee Schedule below. The Development Fee is fully earned by Franchisor when paid and is not refundable, in whole or in part, under any circumstances.

Number of Units	Development Fee For Each	Total Development Fee
1	$~~36,900~~46,900	$~~36,900~~46,900
2	$~~31,400~~42,210	$~~68,300~~89,110
3	$~~27,000~~37,520	$~~95,300~~126,630

3.2. Credit Towards Franchise Fee. If the Developer has paid the respective Development Fee, Developer will not pay any additional initial franchise fees ("Franchise Fee") for any of the Units to be developed under this Agreement.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1. Separate Franchise Agreements. The Franchise Agreement for the first Unit to be developed under this Agreement is the form attached to the current franchise disclosure document, and shall be executed at the same time as this Agreement. The Franchise Agreement for the second and each additional Unit to be developed is the form of Franchisor's then-current Franchise Agreement, the terms of which may be materially different from the terms of the first franchise agreement. At the time you are ready to develop your second and each subsequent Unit, you will be disclosed with the then-current Sylvan Learning franchise disclosure document with the then-current form of franchise agreement. Each Unit developed hereunder shall be at a specific location, which shall be designated in the respective franchise agreement that is within the Development Area.

4.2. Time is of the Essence. Recognizing that time is of the essence, Developer shall comply strictly with the Development Schedule. Developer acknowledges and agrees that the Development Schedule requires that Developer have executed and delivered to Franchisor Franchise Agreements for a cumulative number of Franchised Locations by the end of the time periods specified in Attachment B.

4.3. Manner for Exercising Development Rights.

4.3.1. Before exercising any development right granted hereunder, you shall apply to Franchisor for a franchise to operate a Unit. If Franchisor, in its sole discretion, determines that you have met each of the following operational, financial, and legal conditions, then Franchisor will grant you a franchise for each respective Unit:

(a) Operational Conditions: You are in compliance with the Development Schedule and this Agreement, and you or your Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates, including any other franchise agreement executed with Franchisor. You are conducting the operation of your existing Units, if any, and are capable of conducting the operation of the proposed Unit in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) Financial Conditions: You and your Owners satisfy Franchisor's then-current financial criteria for developers and Owners of Sylvan Learning businesses. You and your Owners have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. You are not in default, and have not been in default during the 12-month period immediately preceding your request for financial approval, of any monetary obligations owed to Franchisor or its Affiliates under any Franchise Agreement or any other agreement between you or your Affiliates and Franchisor or its Affiliates. You acknowledge and agree that it is vital to Franchisor's interest that each of its franchisees must be financially sound to avoid failure of a restaurant and that such failure would adversely affect the reputation and good name of Sylvan Learning businesses and the System.

(c) Legal Conditions: You have submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to you by this Agreement or by any Franchise Agreement. This includes, but is not limited to, certificates of formation or articles of incorporation (or its equivalent), EIN information, company or operation agreement (or its equivalent), contact information for all Owners, and any other information Franchisor may reasonably require from time to time.

4.3.2. Identifying and Securing Sites. Developer shall be solely responsible for identifying, submitting for Franchisor's approval, and securing specific sites for each Unit. The following terms and conditions shall apply to each Unit to be developed hereunder:

(a) Developer shall submit to Franchisor, in a form specified by Franchisor, a completed Site Application, as the term is defined in the corresponding franchise agreement. The parties shall comply

with the site selection process in the corresponding franchise agreement or Franchisor's operations manual. No site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

(b) Following Franchisor's approval of a proposed site, Developer shall use its best efforts to secure access to and use of such site. Developer shall secure a minimum of the remaining term of the respective franchise agreement executed for the Unit to be located at such site. Developer shall immediately notify Franchisor of the execution of a lease or other agreement granting it access to and use of the site.The site approved and secured pursuant to this Agreement shall be specified as the "Approved Location" (or equivalent) under the franchise agreement executed pursuant Section 4.3.3. below.

(c) Developer hereby acknowledges and agrees that approval by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Unit or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Developer and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Developer's expectations as to revenue or operational criteria.

4.3.3. Lease or Agreement Terms. For each Unit to be developed hereunder, Developer will sign a lease or other agreement granting it access to and use of a space(s) in which to operate the Unit. Developer shall comply with the respective provisions within the Unit's franchise agreement.

4.4. Development Schedule. Acknowledging that time is of the essence, you agree to exercise your development rights according to Section 4.3. and the Development Schedule reflected Attachment B. You may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop Units early, *i.e.*, more than the total minimum number of Units which you are required to develop during any applicable Development Period. Any Unit developed in excess of the minimum number of Units required to be developed during the applicable Development Period shall be applied to satisfy your development obligation during the next succeeding Development Period, if any. You shall not open or operate more than the cumulative total number of Units you are obligated to develop under the Development Schedule.

4.4.1. If during the term of this Agreement, you cease to operate any Unit developed under this Agreement for any reason, you must develop a replacement Unit. The replacement Unit shall be developed within a reasonable time (not to exceed 120 days) after you cease to operate the original Unit. If you desire to open the replacement Unit in an area outside of the original Protected Area of original Unit, you must obtain Franchisor's written consent before relocating. If, during the term of this Agreement, you transfer your interest in a Unit in accordance with the terms of the applicable Franchise Agreement for the Unit, the transferred Unit will continue to be counted in determining whether you have complied with the Development Schedule so long as it continues to be operated as a Sylvan Learning business. If the transferred Unit ceases to be operated as a Sylvan Learning business during the term of this Agreement, you shall develop a replacement Unit within a reasonable time (not to exceed 120 days) thereafter.

4.4.2. Your failure to adhere to the Development Schedule (including any extensions thereof, approved by Franchisor in writing) or to any time period for the development of replacement Units is a material default of this Agreement for which Franchisor may terminate this Development Agreement, in its sole discretion, in addition to any other remedies available to it under law. Franchisor, in its

discretion, may elect, in lieu of terminating this Agreement, to use other remedial measures for Developer's breach of this Agreement, which include, but are not limited to: ***(a)*** loss of the limited exclusivity, or reduction in the scope of protections, granted to Developer under Article 1 herein for the Development Area; ***(b)*** reduction in the scope of the Development Area; or ***(c)*** reduction in the number of Units to be developed under the Development Schedule. If Franchisor exercises said right, Franchisor shall not have waived its right to, in the case of future defaults, exercise all other rights and invoke all other provisions that are provided in law and/or set out under this Agreement, including immediate termination of this Agreement.

4.4.3. You acknowledge and agree that you have conducted an independent investigation of the business contemplated under this Agreement, that you fully understand your obligations under this Agreement, and that you recognize and assume all associated risks. In addition, you acknowledge that Franchisor makes no representation: ***(a)*** that your Development Area contains a sufficient number of acceptable locations to meet the number of Units to be developed under the Development Schedule; or ***(b)*** that your Development Area is sufficient to economically support the number of Units to be developed under the Development Schedule. You acknowledge that you have performed all related and necessary due diligence before your execution of this Agreement and that, accordingly, you assume the risk of identifying a sufficient number of acceptable locations within the Development Area and the economic risk of developing the number of Units set forth in Exhibit B.

4.5. Projected Opening Dates. You must open each Unit by the projected opening date in Attachment B (the "Projected Opening Date"). You acknowledge that the Projected Opening Date for each Unit to be developed hereunder is reasonable. Subject to your compliance with Section 4.3., hereof, you shall execute a Franchise Agreement for each Unit at or prior to the applicable lease execution date set forth in Attachment B, which shall be a date no later than six months prior to the Projected Opening Date for the applicable Unit.

4.5.1. No sooner than 30 days prior to the respective the "Franchise Agreement Execution Date" identified in Attachment B, you shall request a Franchise Agreement for each Unit to be developed during the Development Period.

4.5.2. Upon receiving your request, Franchisor shall deliver to you its then-current form of its Sylvan Learning franchise disclosure document and execution copies of its then-current form of Franchise Agreement.

4.5.3. No later than the Franchise Agreement Execution Date identified in the Development Schedule (but no sooner than as permitted by law), you shall sign and return a signed copy of the Franchise Agreement due thereunder.

4.5.4. Franchisor shall approve and countersign the Franchise Agreement if:

(a) You are in compliance with this Agreement and all other agreements between you or your Affiliates and Franchisor including, without limitation, all Franchise Agreements signed under this Agreement. If this condition is not met, Franchisor may require you to cure any deficiencies before it approves and countersigns the Franchise Agreement.

(b) You have demonstrated to Franchisor, in Franchisor's sole discretion, your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement.

(c) You, your Owners, each of your Affiliates, and their Owners who have a then-currently effective Franchise Agreement or Development Agreement with Franchisor has signed a general release, in a form prescribed by Franchisor, of any and all claims that the party has, had, or claims to have against Franchisor and/or its Affiliates and their respective officers, directors, agents and employees, whether the claims are known or unknown, arising out of or relating to this Agreement, any

Franchise Agreement, the relationship created by this Agreement or any Franchise Agreement, and the offer and sale of Sylvan Learning franchise opportunity.

5. DUTIES OF THE PARTIES

5.1 Franchisor's Assistance. Franchisor shall furnish to Developer the following:

5.1.1. Site selection guidelines, including Franchisor's minimum standards for Sylvan sites and sources regarding demographic information, and such site selection counseling and assistance as Franchisor may deem advisable.

5.1.2. Such on-site evaluation as Franchisor deems advisable in its sole discretion in response to Developer's request for site approval for each proposed site; provided, however, that Franchisor shall not provide on site evaluation for any proposed site prior to the receipt of a site application for such site prepared by Developer.

5.2 Designated Principal. If Developer is other than an individual, Developer shall designate, subject to Franchisor's approval, one Owner, as identified in Attachment C, who is both an individual person and owns at least a ten percent (10%) of Developer, and who shall be responsible for general oversight and management of the development of the Franchised Locations under this Agreement pursuant to the Development Schedule (the "Designated Principal"). Once open, the Developer or Designated Principal may appoint a Designated Manager, pursuant to the respective Franchise Agreement, to operate the Unit. Developer acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Principal to have been given, by Developer, the responsibility and decision-making authority regarding the Developer's business and operation. In the event the person designated as the Designated Principal becomes incapacitated, leaves the employ of Developer, transfers his/her interest in Developer, or otherwise ceases to supervise the development of the Franchised Locations, Developer shall promptly designate a new Designated Principal, subject to Franchisor's approval.

5.3 Records and Reports to Franchisor. Developer shall, at its expense, comply with the following requirements to prepare and submit to Franchisor upon request the following reports, financial statements and other data, which shall be prepared in the form and using the standard statements and chart of accounts as Franchisor may prescribe from time to time:

5.3.1. No later than the twentieth (20th) day of each calendar month, Developer shall have prepared a profit and loss statement reflecting all of Developer's operations during the last preceding calendar month, for each Franchised Location. Developer shall prepare profit and loss statements on an accrual basis and in accordance with generally accepted accounting principles. Developer shall submit such statements to Franchisor at such times as Franchisor may designate or as Franchisor may otherwise request;

5.3.2. On April 15th of the year following the end of Developer's fiscal year, a complete annual financial statement (prepared according to generally accepted accounting principles), on a compilation basis, and if required by Franchisor, such statements shall be prepared by an independent certified public accountant; and

5.3.3. Such other forms, reports, records, information, and data as Franchisor may reasonably designate.

5.4 Maintaining Records. Developer shall maintain during the term of this Agreement, and shall preserve for at least seven (7) years from the dates of their preparation, and shall make available to Franchisor at Franchisor's request and at Developer's expense, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles.

5.3. Compliance with Laws. Developer shall fully comply with all federal, state, and local laws, rules, and regulations when exercising its rights and fulfilling your obligations under this Agreement and any franchise agreement.

6. COVENANTS

6.1. Confidential Information. Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and shall disclose such information or materials only to such of Developer's employees or agents who must have access to it in connection with their employment. Developer shall not at any time, during the term of this Agreement or thereafter, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

6.2. During the Term. Developer specifically acknowledges that, pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, which may include, without limitation, information regarding the operational, sales, advertising and promotional methods and techniques of Franchisor and the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

(a) Divert or attempt to divert, or solicit or attempt to solicit, any business or guest of any Sylvan Learning business or of any unit under the system to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the proprietary marks or the system.

(b) Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined in Attachment A). Developer acknowledges and agrees that Developer shall be considered in default under this Agreement and that this agreement will be subject to immediate termination in sole discretion of Franchisor, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Developer (or, if Developer is other than an individual, each Owner that is subject to these covenants) engages in a Competitive Business that would violate this Section 6.2. if such person was subject to the covenants of this Section 6.2.

6.3. Post-Termination. Developer covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years from the date of (a) a transfer permitted under Article 8 below; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 6.3; or (e) any or all of the foregoing, Developer shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, partnership, corporation, or other entity, own, maintain, operate, engage in, be employed by, or have any interest in any Competitive Business, which is, or is intended to be, located (i) within the Development Area (other than those Units provided for in the Development Schedule), or (ii) within a radius of twenty-five (25) miles of any other Sylvan Learning business in operation or under construction on the effective date of termination or expiration located anywhere. Provided, however, that this provision shall not apply to the operation by Developer of any business under the System under a franchise agreement with Franchisor.

6.4. Exception for Ownership in Public Entities. Sections 6.2. and 6.3. hereof shall not apply to ownership by Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term "publicly held corporation" refers to a corporation which has outstanding securities that have been registered under the federal Securities Exchange Act of 1934.

6.5. Personal Covenants. At the request of Franchisor, Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 6 (including covenants applicable upon the termination of a person's relationship with Developer) from all managers and other personnel employed by Developer who have received or will receive training and/or other confidential information, or who are or may be involved in the operation or development of the Franchised Locations. Every covenant required by this Article 6 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

6.6. Covenants as Independent Clauses. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 6 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 6.

6.7. Covenants Survive Claims. Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 6. Developer agrees to pay all costs and expenses (including attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 6.

6.8. Compliance with Laws. Developer represents and warrants to Franchisor that neither Developer (including, without limitation, any and all of its Principals, employees, directors, officers and other representatives) nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

6.9. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 6 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

7. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

7.1. Independent Contractor. The parties acknowledge and agree that you are operating the business contemplated under this Agreement as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, joint employer, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party has the right to bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed in writing by the parties or shall conspicuously identify yourself and the business contemplated under this Agreement in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such independent ownership.

During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor operating the business pursuant to a Development Agreement with Franchisor. Developer agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of the fact in a conspicuous place in Developer's offices, the content of which Franchisor reserves the right to specify.

7.2. INDEMNIFICATION. YOU SHALL INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT BY LAW, FRANCHISOR, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, SHAREHOLDERS, AND AGENTS, (COLLECTIVELY, "INDEMNITEES") FROM ANY AND ALL "LOSSES AND EXPENSES" (AS HEREINAFTER DEFINED) INCURRED IN CONNECTION WITH ANY LITIGATION OR OTHER FORM OF ADJUDICATORY PROCEDURE, CLAIM, DEMAND, INVESTIGATION, OR FORMAL OR INFORMAL INQUIRY (REGARDLESS OF WHETHER SAME IS REDUCED TO JUDGMENT) OR ANY SETTLEMENT THEREOF ARISING OUT OF OR RELATED TO THE BUSINESS CONTEMPLATED UNDER THIS AGREEMENT ("EVENT"), AND REGARDLESS OF WHETHER SAME RESULTED FROM ANY STRICT OR VICARIOUS LIABILITY IMPOSED BY LAW ON THE INDEMNITEES; PROVIDED, HOWEVER, THAT THIS INDEMNITY SHALL NOT APPLY TO ANY LIABILITY ARISING FROM THE GROSS NEGLIGENCE OF INDEMNITEES (EXCEPT TO THE EXTENT THAT JOINT LIABILITY IS INVOLVED, IN WHICH EVENT THE INDEMNIFICATION PROVIDED IN THIS AGREEMENT SHALL EXTEND TO ANY FINDING OF COMPARATIVE NEGLIGENCE OR CONTRIBUTORY NEGLIGENCE ATTRIBUTABLE TO YOU). FOR THE PURPOSE OF THIS SECTION 7.2., THE TERM "LOSSES AND EXPENSES" INCLUDE COMPENSATORY, EXEMPLARY, OR PUNITIVE DAMAGES; FINES AND PENALTIES; ATTORNEYS' FEES; EXPERTS' FEES; COURT COSTS; COSTS ASSOCIATED WITH INVESTIGATING AND DEFENDING AGAINST CLAIMS; SETTLEMENT AMOUNTS; JUDGMENTS; COMPENSATION FOR DAMAGES TO FRANCHISOR'S REPUTATION AND GOODWILL; AND ALL OTHER COSTS ASSOCIATED WITH ANY OF THE FOREGOING LOSSES AND EXPENSES. YOU SHALL GIVE FRANCHISOR PROMPT NOTICE OF ANY EVENT OF WHICH YOU ARE AWARE, FOR WHICH INDEMNIFICATION IS REQUIRED, AND, AT YOUR EXPENSE AND RISK, FRANCHISOR MAY ELECT TO ASSUME (BUT UNDER NO CIRCUMSTANCE IS OBLIGATED TO UNDERTAKE) THE DEFENSE AND/OR SETTLEMENT THEREOF, PROVIDED THAT FRANCHISOR WILL SEEK YOUR ADVICE AND COUNSEL. ANY ASSUMPTION BY FRANCHISOR SHALL NOT MODIFY YOUR INDEMNIFICATION OBLIGATION. FRANCHISOR MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, TAKE SUCH ACTIONS AS IT SEEMS NECESSARY AND APPROPRIATE TO INVESTIGATE, DEFEND, OR SETTLE ANY EVENT OR TAKE OTHER REMEDIAL OR CORRECTIVE ACTIONS WITH RESPECT THEREOF AS MAY BE, IN FRANCHISOR'S SOLE AND ABSOLUTE DISCRETION, NECESSARY FOR THE PROTECTION OF THE INDEMNITIES OR THE SYSTEM.

7.3. No Assumption of Liability. Nothing in this Agreement authorizes Developer to make any contract, agreement, warranty, or representation on Franchisor's or any of its Affiliates' behalf, or to incur any debt or other obligation in Franchisor's or its Affiliates' name; and that Franchisor and Affiliates shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Developer in Developer's operations hereunder, or for any claim or judgment arising therefrom against Developer or Franchisor.

8. TRANSFER OF INTEREST

8.1. Transfer by Franchisor. Franchisor shall have the uninhibited right to transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity without Developer's consent or prior notice. With respect to any assignment which results in the subsequent performance by

the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Proprietary Marks, Copyrighted Works or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands, or damages arising from or relating to the loss of Franchisor's name, the Proprietary Marks (or any variation thereof), Copyrighted Works, and System and/or the loss of association with or identification of Sylvan Learning, LLC as the franchisor under this Agreement. You specifically waive any and all other claims, demands, or damages arising from or related to the foregoing merger, acquisition, and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract, or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Sylvan Learning businesses operating under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to any Sylvan Learning business developed under this Agreement).

8.2. Transfer by Individual Developer to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if: ***(a)*** the Business Entity is formed solely for purposes of continuing your development rights and obligations; ***(b)*** you provide to Franchisor a copy of the Business Entity's formation and governing documents (including disclosure of all owners of such entity) and a certificate of good standing from the jurisdiction under which the Business Entity was formed; ***(c)*** you sign a general release in favor of Franchisor and in the form Franchisor requires; ***(d)*** you pay to Franchisor a $3,500 administrative fee; and ***(e)*** you and all other Owners who owns greater than 10% ownership interest in the Developer sign an Undertaking and Guaranty in the form of Attachment D.

8.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: ***(a)*** you have provided to Franchisor advance notice of the transfer and have obtained our prior written consent, which shall not be unreasonably withheld; ***(b)*** Attachment C to this Agreement has been amended to reflect the new ownership; ***(c)*** each new Owner who owns greater than 10% ownership interest in the Developer has signed a Undertaking and Guaranty in the form of Attachment D; ***(d)*** each previous and/or new Owner has signed a general release in favor of Franchisor and in the form Franchisor requires, ***(e)*** you pay to Franchisor a $3,500 administrative fee; and ***(f)*** you must be in compliance with the Development Agreement. Transfers under this Section 8.3. are limited to once per rolling 12-month period; otherwise, transfers under this Section 8.3. shall be subject to an administrative fee of 25% of the then-current initial franchise fee. For purposes of this Section 8.3. only, "Non-Controlling Interest" shall mean 20% or less of the total outstanding units or assets in the Franchised Business.

8.4. Transfer of Agreement; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement and the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

8.4.1. Your written request for consent and delivery of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of any Franchised Business in operation at the time of transfer;

8.4.2. The transferee has demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate each Franchised Business; and has sufficient equity capital to operate each Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of each Franchised Business);

8.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third-party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

8.4.4. You and each Owner has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, managers, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

8.4.5. Payment of the transfer fee equal to $25,000 plus $1,500 for each Unit yet to be developed;

8.4.6. You and the transferee have executed a consent to transfer of this Agreement in the form prescribed by Franchisor;

8.4.7. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Undertaking and Guaranty;

8.4.8. The transferee has have complied with Franchisor's then-current initial training requirements for the operation of each then-existing Unit;

8.4.9. The transferee signs our then-current form of the Development Agreement for the remaining term of your Development Agreement; and

8.4.10. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

8.5. Reserved.

8.6. Transfers Void. Developer understands and acknowledges that Franchisor has granted the rights hereunder in reliance on the business skill, financial capacity, and personal character of Developer or the Owners of Developer if Developer is not an individual. Accordingly, neither Developer nor any Owner shall sell, assign, transfer, pledge or otherwise encumber any direct or indirect interest in the Developer (including any direct or indirect interest in a corporate or partnership Developer), the rights or obligations of Developer under this Agreement, or any material asset of the Developer's business, without the prior written consent of Franchisor, which shall be subject to this Article 8, and to all of the conditions and requirements for transfers set forth in the franchise agreements executed simultaneously with this Agreement that Franchisor deems applicable to a proposed transfer under this Agreement. In addition, Developer's first Unit under its first Franchise Agreement must be open and operating, and Developer must be in compliance with the Development Schedule (and all other terms of this Agreement and all Franchise Agreements and other agreements between the Developer and its affiliates, and Franchisor). Any purported transfer under this Article 8, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material

breach of this Agreement, which shall provide Franchisor the right to terminate the agreement without an opportunity to cure.

8.7. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in this Agreement or the franchise without Franchisor's consent.

8.8. Private or Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a private or public offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 8.4. and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

8.9. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of the Developer or any Owner, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an inter vivos transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Article 8, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six (6) months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 9.3.

8.10. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

9. DEFAULT AND TERMINATION

9.1. Automatic Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative

proceedings to foreclose any lien or mortgage against any Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

9.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: ***(a)*** you fail to meet the Development Schedule; ***(b)*** you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; ***(c)*** there is any transfer or attempted transfer in violation of Article 8 of this Agreement; ***(d)*** you or any Owner fails to comply with the confidentiality or non-compete covenants in Article 6 and Article 10 of this Agreement; ***(e)*** you or any Owner has made any material misrepresentations in connection with your developer application; or ***(f)*** Franchisor delivers to you three or more written notices of default pursuant to this Article 9 within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.

9.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: ***(a)*** failure to obtain or maintain required insurance coverage at the Units; ***(b)*** failure to pay any amounts due to Franchisor; ***(c)*** failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); ***(d)*** failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations; ***(e)*** misappropriate, misuse, or otherwise utilize the Proprietary Marks and Confidential Information in a way not authorized by Franchisor; and ***(f)*** if an approved transfer as required by Section 8.9. is not effected within the designated time frame following a death or permanent incapacity (mental or physical).

9.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 9, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

9.5. Cross-Default. Any default under any agreement (including any franchise agreement) between you and Franchisor or its Affiliates, which your failure to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement without an opportunity to cure.

9.6. Additional Remedies. If you are in Default of this Agreement, Franchisor may, in its sole discretion, elect to reduce the number of Units which you may establish pursuant to the Development Schedule. If Franchisor elects to exercise this remedy as set forth above, you agree to continue to develop Units in accordance with your rights and obligations under this Agreement, as modified. Franchisor's exercise of its remedy under this Section 9.6. shall not constitute a waiver by Franchisor to exercise Franchisor's option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

9.7. No Further Rights. Developer has no independent or unilateral right to terminate this Agreement. Upon termination or expiration of this Agreement, Developer shall have no right to establish or operate any Sylvan Learning business for which a Franchise Agreement has not been executed by Franchisor at the time of termination or expiration. Franchisor's remedies for Developer's breach of this Agreement shall include, without limitation, Developer's loss of its right to develop additional Franchised Locations under this Agreement, and Franchisor's retention of all area development fees paid or owed by Developer. Upon termination or expiration, Franchisor shall be entitled to establish, and to franchise others to establish Sylvan Learning businesses in the Development Area, except as may be otherwise provided under any Franchise Agreement which has been executed between Franchisor and Developer or Developer's affiliates.

9.8. Damages Upon Termination. In addition to the above, upon termination or expiration of this Agreement, Developer shall promptly pay all sums owing to Franchisor and its affiliates.

Developer acknowledges and confirms that Franchisor will suffer substantial damages as a result of the termination of this Agreement before the Term expires. Some of those damages include lost Royalty Fees, and NAF Contributions, as those terms are defined in the first unit's franchise agreement, and other fees, lost market penetration and goodwill, lost opportunity costs, and expenses that Franchisor will incur in developing or finding another Developer to develop another Sylvan Learning franchise in the Development Area (collectively, "Brand Damages"). Franchisor and Developer acknowledge that Brand Damages are difficult to estimate accurately and proof of Brand Damages would be burdensome and costly, although such damages are real and meaningful to Franchisor.

Therefore, upon termination of this Agreement before the Term expires for any reason (subject to this Article 9), Developer agrees to pay Franchisor, within fifteen (15) days after the date of such termination, the entire liquidated damages amount ("Liquidated Damages"), which is the lesser of i) $100,000 and ii) the Minimum Royalty assessment (as the term is defined in the first unit's franchise agreement), multiplied by 36, multiplied by the number of units undeveloped under this Agreement.

Developer agrees that the Liquidated Damages calculated under this Section 9.8. represent the best estimate of Franchisor's Brand Damages arising from any termination of this Agreement before the Term expires. Developer's payment of the Liquidated Damages to Franchisor will not be considered a penalty but, rather, a reasonable estimate of fair compensation to Franchisor for the Brand Damages Franchisor will incur because this Agreement did not continue for the Term's full length.

Developer acknowledges that Developer's payment of Liquidated Damages is full compensation to Franchisor only for the Brand Damages resulting from the early termination of this Agreement and is in addition to.

10. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

10.1 List of Principals. If Developer is a corporation, limited liability company, or partnership, each Owner of Developer and the interest of each person holding an ownership interest in Developer, shall be identified in Attachment C to the Agreement. Developer shall maintain a list of all owners and immediately furnish Franchisor with an update to the information contained in Attachment C upon any change, which shall be made only in compliance with Article 7 above. Developer shall also appoint a Designated Principal, pursuant to Section 5.2. above.

10.2 Guaranty and Undertaking. Each Owner who owns greater than 10% ownership interest in the Developer shall execute a guaranty and undertaking, and acknowledgment of Developer's covenants and obligations under this Agreement in the form attached hereto as Attachment D.

10.3 Corporations and Limited Liability Companies. If Developer is a corporation or limited liability company, Developer shall comply with the following requirements:

10.3.1. Developer shall be newly organized and its governing documents shall at all times provide that its activities are confined exclusively to developing and operating the Franchised Locations.

10.3.2. Developer shall promptly furnish to Franchisor copies of Developer's articles of incorporation, bylaws, articles of organization, operating agreement and/or other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

10.3.3. Developer shall maintain stop transfer instructions against the transfer on its records of any equity securities; and each stock certificate or issued securities of Developer shall conspicuously include upon its face a statement, in a form satisfactory to Franchisor, which references

the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 10.3.3. shall not apply to a publicly held corporation.

10.4 Partnerships and Limited Liability Partnerships. If Developer or any successor to or assignee of Developer is a partnership or limited liability partnership, Developer shall comply with the following requirements:

10.4.1. Developer shall be newly organized and its company or operating agreement (or its equivalent) shall at all times provide that its activities are confined exclusively to developing and operating the Franchised Locations.

10.4.2. Developer shall furnish Franchisor with a copy of its company or operating agreement (or its equivalent) as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

10.4.3. Developer shall promptly furnish to Franchisor copies of Developer's certificate of formation (or equivalent), and any other documents filed with the respective state secretary of state or other equivalent agency for formation of such limited liability company or partnership.

10.4.4. The partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

11. GOVERNING LAW; DISPUTE RESOLUTION

11.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of Texas (without giving effect to any conflict of laws).

11.2. Mediation.

11.2.1. The parties acknowledge that during the term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, you, and each Owner agree to submit any claim, controversy, or dispute between Franchisor or its Affiliates (and Franchisor's and its Affiliate's respective owners, officers, directors, managers, agents, representatives, and/or employees) and you or your Affiliates (and your Owners, agents, representatives, and/or employees) arising out of or relating to: ***(a)*** this Agreement or any other agreement between Franchisor and you, ***(b)*** Franchisor's relationship with you, or ***(c)*** the validity of this Agreement or any other agreement between Franchisor and you, to mediation before bringing such claim, controversy, or dispute in a court or before any other tribunal.

11.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("AAA") in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city in which Franchisor maintains its principal place of business at the time mediation is initiated. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally.

11.2.3. If the parties are unable to resolve the claim, controversy, or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 11.3. below. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

11.2.4. Notwithstanding the foregoing provisions of this Section 11.2., the parties' agreement to mediate shall not apply to controversies, disputes, or claims related to or based on amounts owed to

Franchisor pursuant to this Agreement, the Proprietary Marks, or Franchisor's Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

11.3. Arbitration. Franchisor and Developer agree that, except for controversies, disputes, or claims related to or based on improper use of the Proprietary Marks or confidential information, all controversies, disputes, or claims between Franchisor and Developer's affiliates, and Franchisor's and their respective shareholders, members, officers, directors, agents, and/or employees, and Developer (and/or Developer's owners, guarantors, affiliates, and/or employees) arising out of or related to ***(a)*** this Agreement or any other agreement between Developer and Franchisor; ***(b)*** Franchisor's relationship with Developer; ***(c)*** the validity, arbitrability, or enforceability of this arbitration provision, Agreement, or any other agreement between Developer and Franchisor; or ***(d)*** any System standard must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current commercial arbitration rules. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a five (5) mile radius of Franchisor's principal headquarters at the time arbitration is initiated. The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(a) The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or governing law), provided that the arbitrator may not declare any Proprietary Mark generic or otherwise invalid and Franchisor and Developer waive to the fullest extent the law permits any right to or claim for any punitive, exemplary, treble, and other forms of multiple damages against the other.

(b) Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under governing law or this Agreement, whichever expires earlier. Franchisor and Developer further agrees that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Developer or Franchisor.

(c) Franchisor and Developer agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Franchisor's affiliates, their respective shareholders, officers, directors, agents, and employees, and Developer (including owners, guarantors, affiliates, and employees) may not be consolidated with any other arbitration proceeding between Franchisor and any other person.

(d) Despite Franchisor's and Developer's agreement to arbitrate, Franchisor and Developer each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Franchisor and Developer must contemporaneously submit Franchisor's dispute for arbitration on the merits as provided in this Section.

(e) The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

11.4. Venue. With respect to any controversies, disputes, or claims which are not finally resolved through mediation or arbitration, as provided in Sections 11.2. and 11.3., the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively and within the state and federal judicial district court serving the district in which we maintain our principal headquarters at the time litigation is initiated or Tarrant County, Texas (if there is a dispute), and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Nothing contained in this Agreement bars Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and you agree to pay all costs and attorneys' fees incurred by Franchisor in obtaining such relief.

11.5. Non-exclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

11.6. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

11.7. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

11.8. Limitation to Bring a Claim. Any and all claims and actions arising out of or relating to this Agreement and/or the relationship of Developer and Franchisor, brought by either party hereto against the other, whether in mediation, in arbitration or in court, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be forever barred.

11.9. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

11.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

12. NOTICES

12.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; by email, Docusign or other electronic signature system, or other electronic delivery system; or by or by facsimile or other electronic system. Service shall be deemed conclusively made: ***(a)*** at the time of service, if personally served; ***(b)*** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; ***(c)*** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; ***(d)*** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; ***(e)*** at the time of transmission by facsimile, if such transmission occurs prior to 5:00 p.m. on a Business Day and a copy of such notice is mailed within 24 hours after the

transmission; and ***(f)*** upon delivery of electronic notices, including email. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

12.2. Notice of Actions. Developer shall notify Franchisor in writing within five (5) days of the receipt of any demand letter, commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of Developer and/or any Unit established under this Agreement.

13. CONSTRUCTION

13.1. Entire Agreement. This Agreement and its attachments represent the entire fully integrated agreement between the parties concerning the subject matter hereof, and supersedes all other negotiations, agreements, representations, and covenants, oral or written. Recognizing the costs on both Franchisor and Developer which are uncertain, Franchisor and Developer, each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings which have been or may in the future be, exchanged between them, serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, Franchisor and Developer agree and promise each other that this Agreement supersedes and cancels any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or any other term), between Franchisor or anyone acting on its behalf and Developer or anyone acting on its behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such term) with respect to the rights and obligations of Franchisor and Developer or the relationship between them. Franchisor and Developer agree and promise each other that they have placed, and will place, no reliance on any such discussions or writings. In accordance with the foregoing, it is understood and acknowledged that this Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Developer concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Developer to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments. Any representations, warranties, inducements, promises, understandings or agreements between the parties, that are not in the franchise disclosure document which you acknowledge receiving at least 14 days before signing this Agreement or paying any money, or in writing and signed by us and you, are void and not enforceable.

13.2. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid. No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Developer shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the

same or of a different nature; nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Developer of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

13.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

13.4. Survival of Terms. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

13.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A ("Glossary of Additional Terms"). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

13.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. As applicable, each Owner who owns greater than 10% ownership interest in the Developer shall execute the Undertaking and Guaranty attached as Attachment D. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person's obligations hereunder and under the applicable Undertaking and Guaranty.

13.7. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

13.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

13.9. Full Scope of Terms. Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

13.10. Headings Only for Convenience. All headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

13.11. No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to developers and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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.

14. REPRESENTATIONS

14.1. Representations of Franchisor. Franchisor represents and warrants that ***(a)*** Franchisor is duly organized and validly existing under the law of the state of its formation; ***(b)*** Franchisor is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification; and ***(c)*** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within Franchisor's corporate power and have been duly authorized.

14.2. Representations of Developer. (Initial each subsection)

[_____] 14.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that ***(a)*** you are duly organized and validly existing under the law of the state of your formation; ***(b)*** you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; ***(c)*** your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the development and operation of the Franchised Business. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate, or have any financial or beneficial interest in any business that is the same as or similar to a Sylvan Learning business; and ***(d)*** The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under its written partnership or limited liability company agreement and have been duly authorized.

[_____] 14.2.2. You represent and warrant that to your actual knowledge: (i) neither Developer nor its officers, directors, managers, members, partners, shareholders, or other individual who own or manage the affairs of Developer, nor any Developer affiliate or related party, or any funding source for any Unit, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury's Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "**USA Patriot Act**," as such lists may be amended from time to time (collectively, "**Blocked Person(s)**"); (ii) neither Developer nor any Developer affiliate or related party 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 Developer nor any Developer affiliate or related party 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 Developer nor any Developer affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Departments of State's Debarred List, as such lists may be amended from time to time (collectively, the "**Lists**"); (v) neither Developer nor any Developer affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither Developer nor any Developer affiliate or related party will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. Developer agrees to notify Franchisor in writing

immediately upon the occurrence of any act or event that would render any of these representations incorrect.

[_____] 14.2.3. You represent and warrant to Franchisor that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict you from: ***(a)*** negotiating and entering into this Agreement; ***(b)*** exercising its rights under this Agreement; and/or ***(c)*** fulfilling its responsibilities under this Agreement.

[_____] 14.2.4. You represent to Franchisor, as an inducement to entry into this Agreement, that Developer has made no misrepresentations in obtaining the franchise.

The acknowledgments in Sections 14.2.5 through 14.2.8 below apply to all franchisees and franchises except not to any franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

[_____] 14.2.5. You represent to Franchisor that neither Franchisor nor its agents or representatives have made any representations, and you have not relied on representations made by Franchisor or its agents or representatives, concerning actual or potential sales, expenses, or profit of a Sylvan Unit, except for information that may have been contained in Item 19 of the franchise disclosure document delivered to you in connection with your purchase of a Sylvan Learning franchise.

[_____] 14.2.6. You acknowledge that you have received a complete copy of Franchisor's franchise disclosure document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

[_____] 14.2.7. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

[_____] 14.2.8. INVESTIGATION OF THE BUSINESS POSSIBILITIES. DEVELOPER ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS OF DEVELOPING AND OPERATING A SYLVAN, AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF DEVELOPER (OR, IF DEVELOPER IS A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, THE ABILITY OF ITS PRINCIPALS) AS (AN) INDEPENDENT BUSINESSPERSON(S). FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND DEVELOPER ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. DEVELOPER ACKNOWLEDGES THAT THIS AGREEMENT CONTAINS ALL ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES, AND ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACT (WHETHER ORAL OR WRITTEN) ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. DEVELOPER FURTHER ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED ON ANY REPRESENTATIONS ABOUT THE FRANCHISE BY THE FRANCHISOR, OR ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, THAT ARE CONTRARY TO THE STATEMENTS MADE IN THE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT OR TO THE TERMS AND CONDITIONS CONTAINED HEREIN.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

CALIFORNIA RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

This Rider is entered into on _____, 20__, by and between Sylvan Learning, LLC ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of the Agreement. The Federal Bankruptcy Code also provides rights to you concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws will control.

2. You are required in the Agreement to execute a general release of claims, such general release shall exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.

3. The Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.

4. The Agreement contains covenants not to compete which extends beyond the termination of the Agreement. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

5. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

6. 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.

7. Both the governing law and choice of law for franchisees operating outlets located in California will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

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

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

ILLINOIS 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").

This Rider relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. The parties agree to modify the Development Agreement as follows:

1. Governing Law. Section 11.1 of the Development Agreement is deleted. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.
2. Jurisdiction. The following language is added to the end of Section 11.4 of the Development Agreement:

   In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in this Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, this Agreement may provide for arbitration to take place outside of Illinois.
3. Termination. The following language is added at the beginning of Section 9 of the Development Agreement:

   If anything in this Section concerning termination is inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then the Act shall apply.
4. Waiver of Jury Trial. The following language is added to the end of Section 11.6 of the Development Agreement:

   However, this waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.
5. Section 41 of the Illinois Franchise Disclosure Act of 1987 states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Development Agreement.
6. This Rider will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987. 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 Development Agreement on the date stated on the first page.

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

INDIANA 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").

This Rider relates to franchises sold in Indiana and is intended to comply with the Indiana statutes and regulations. The parties agree to supplement the Development Agreement as follows:

1. Pursuant to Section 23.2-2.7-1 of the Indiana Code, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the Development Agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the Development Agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subdivision.

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the Development Agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a Development Agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the Development Agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any:

(A) advertising campaign or contest;

(B) promotional campaign;

(C) promotional materials; or

(D) display decorations or materials;

at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the Development Agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

2. If the Development Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Indiana Code will supersede the Development Agreement.

3. 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 the Indiana Code, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

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

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

MARYLAND 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 Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Development Agreement as follows:

1. Releases. Section 4.5.4(c) and Section 8 are each amended to add the following:

   This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Entire Agreement. Section 13.1 is amended by adding the following:

   Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to our prior representations.

3. Time Limit on Filing. Section 11.8 is amended by adding the following:

   The foregoing limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. Representations. Section 14.2.5 through 14.2.8 of the Development Agreement are hereby deleted.

5. This Rider will have effect only if the Development Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

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

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], 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. Releases. 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.

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.

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.

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.

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

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:	**DEVELOPER:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

NEW YORK 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 requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Development Agreement as follows:

1. Any provision in the Development Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. Sections 4.5.4(C) and 8 are each amended to add the following:

   The foregoing release of claims against Franchisor does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Assignment by Franchisor. Section 8 is amended by adding the following:

   Franchisor will not assign its rights under the Development Agreement except to an assignee who in Franchisor's good faith judgment is willing and able to assume Franchisor's obligations under the Development Agreement.

4. Termination by Developer. Section 9 is amended by adding the following:

   You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law. Section 11.1 is amended by adding the following:

   Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

6. This Rider will have effect only if the Development Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

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

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC,	[_____],
a Delaware limited liability company	a [_____]
By: _____	By: _____
Susan Valverde, President	[_____], its [_____]

~~NORTH DAKOTA~~RHODE ISLAND 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 ~~requirements of the North Dakota~~Rhode Island Franchise Investment ~~Law~~Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Development Agreement as follows:

1. Governing Law. Section 11.1 is amended by adding the following:

~~1. In Sections 4.5.4(c) of the Development Agreement, any reference to a requirement to sign a general release is hereby deleted.~~

Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. ~~Article 6 of the Development Agreement is hereby~~ Jurisdiction and Venue. Section 11.4 is amended by ~~the addition of~~adding the following ~~language to the original language that appears there~~:

Notwithstanding the foregoing, you have the right to file any arbitration action under the Rhode Island Franchise Investment Act in Rhode Island.

3. 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 the Rhode Island Franchise Investment Act, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

~~"Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."~~

~~3. Section 9.8. of the Development Agreement referring to liquidated damages is hereby deleted.~~

~~4. In Section 11.1, the word "Texas" is replaced with the words "North Dakota."~~

~~5. Sections 11.2 and 11.3 of the Development Agreement are hereby amended with the following:~~

~~"The site of the arbitration or mediation must be agreeable to all parties and not be remote from the franchisee's (or Developer's) place of business."~~

~~6. In Section 11.4 of the Development Agreement, in order to comply with Section 51-19-09 of the North Dakota Franchise Investment Law, any references to the consent to jurisdiction of courts in Texas are hereby deleted.~~

~~7. In Section 11.6 of the Development Agreement, all references to waiver of trial by jury in the Development Agreement are hereby deleted.~~

~~8. In Section 11.7 of the Development Agreement, all references to the consent to a waiver of exemplary and punitive damages are hereby deleted.~~

~~9. Section 11.8. of the Development Agreement is hereby amended by the addition of the following language to the original language that appears there:~~

~~"The statute of limitations under North Dakota Law will apply."~~

~~(SIGNATURE PAGE FOLLOWS.)~~

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

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

~~RHODE ISLAND~~VIRGINIA RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

THIS RIDER IS TO BE SIGNED ONLY IF THE DEVELOPMENT AGREEMENT TO WHICH IT RELATES IS SIGNED ON OR AFTER JULY 1, 2026.

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 Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Development Agreement as follows:~~

1. **BACKGROUND**. Franchisor and Developer are parties to that certain Development Agreement dated _____, 20____ (the "Development Agreement") that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Development Agreement. This Addendum is being signed because at least one of the Franchised Locations that Developer will operate and develop under the Development Agreement will be located in Virginia.

~~1. Governing Law. Section 11.1 is amended by adding the following:~~

~~Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.~~

2. ~~Jurisdiction and Venue. Section 11.4 is amended by adding the following~~Effective July 1, 2026, the Virginia Retail Franchising Act provides as follows:

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

~~Notwithstanding the foregoing, you have the right to file any arbitration action under the Rhode Island Franchise Investment Act in Rhode Island.~~

~~3. 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 the Rhode Island Franchise Investment Act, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.~~

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

To the extent the Development Agreement includes any provision that is wholly or partially unlawful under Virginia law, the unlawful portions of the provision will be deemed to be severed from, and not to be a part of, the Franchise Agreement to the extent they are unlawful. However, any remaining lawful portions of the provision may be fully enforced.

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

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

WASHINGTON RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

This Rider is entered into this ___ day of _____, 20__, by and between Sylvan Learning, LLC ("Franchisor," "we," "us," or "our"), and _____ ("Developer," "Franchisee," "you," or "your"). The provisions of this Rider an integral part of, are incorporated into, and modify the Sylvan Learning development agreement executed between the Franchisor and Developer, and all related agreements regardless of anything to the contrary contained therein. This Rider applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring

prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

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

FRANCHISOR:	**DEVELOPER:**
SYLVAN LEARNING, LLC, a Delaware limited liability company	[_____], a [_____]
By: _____ Susan Valverde, President	By: _____ [_____], its [_____]

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

"**Affiliate**" means, with respect to Franchisee or any Owner, any (i) direct or indirect parent, subsidiary, or affiliate, (ii) any Person, the management of which is, directly or indirectly, controlled by, or of which an aggregate of more than 10% of the voting Stock is, at the time, owned or controlled directly or indirectly by, such Person or one or more Affiliates of such Person, (iii) Person, including another franchisee of Franchisor, that shares common or partial, direct or indirect ownership, and (iv) any Person that has an ownership interest in another entity, or that controls, is controlled by, or is under common control, directly or indirectly.

"**Business Entity**" means a corporation, limited liability company, limited partnership, or other entity created pursuant to statutory authority.

"**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.

"**Confidential Information**" means all information, knowledge, elements, trade secrets, and know-how utilized or embraced by the System, or which otherwise concerns Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software; including, but not limited to: the Standards and all elements of the System and all products, services, equipment, technologies, policies, standards, requirements, criteria, and procedures which now or in the future are a part of the System; all information contained in the Manual, including supplements to the Manual; Franchisor's standards and specifications for product preparation, packaging, and service; all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or by you in the offer and sale of products and/or services at or from the Franchised Business premises; all pricing paradigms established by Franchisor or by you; all of Franchisor's and/or your sources, or prospective sources, of supply and all information pertaining to same, including wholesale pricing structures, the contents of sourcing agreements, and the identity of vendors and suppliers; Franchisor's specifications, and your final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Franchised Business premises; the identify of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and you; all information and data pertaining to Franchisor's and/or your advertising, marketing, promotion, and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your Franchised Business; all internet/web protocols, procedures, and content related to the System and your Franchised Business; Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training, and staff certification policies and procedures; all communications between you and Franchisor, including the financial and other reports you are required to submit to Franchisor under this Agreement; additions to, deletions from, and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; all other knowledge, trade secrets, or know-how concerning the methods of operation of your Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of operation under the terms of the Franchise Agreement; and all other information, knowledge, and know-how which either Franchisor or its Affiliates, now or in the future, designate as "Confidential Information."

"**Controlling Interest**" means: **(a)** if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively **(i)** directly or indirectly own more than 20% of the shares of each class of the developer entity's issued and outstanding capital stock or membership units, as applicable; and **(ii)** are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or **(b)** if you are a partnership, that the Owners **(i)** own more than 20% interest in the operating profits and operating losses of the partnership as well as more than 20% ownership interest in the partnership (and more than 20% interest in the shares of each class of capital stock of any corporate general partner); and **(ii)** are entitled under its partnership agreement or governing law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

"**Copyrighted Works**" means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Proprietary Marks, Franchisor's product packaging and advertising and promotional materials, and the content and design of Franchisor's Web site and advertising and promotional materials.

"**Development Area Name**," as defined on the Summary Page, shall mean the general identifying name for the Developer's Development Area, and does not endow any greater area than the Development Area map identified in Attachment B.

"**Development Period**" means each of the time periods indicated on Attachment B during which you shall have the right and obligation to construct, equip, open and thereafter continue to operate Sylvan Learning businesses.

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

"**Franchise Agreement**" means the form of agreement prescribed by Franchisor and used to grant to you the right to own and operate a single Sylvan Learning business, including all attachments, exhibits, riders, guarantees or other related instruments, all as amended from time to time. A current form of Franchise Agreement is attached to the current franchise disclosure document, which shall be used for the first Unit. Franchisor reserves the right to modify this form and issue then-current form of franchise agreement under its then-current franchise disclosure document at the time you are ready to develop the second and any subsequent Units.

"**Owner(s)**" means any Person holding more than ten percent of the Stock in you and its officers, directors, and shareholders of a corporation, all managers and members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. If any Owner is a Person, then the term "Owner" also includes the Owners of that Business Entity.

"**Person**" means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a corporation, a limited liability company, a government, or any department

or agency thereof, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated association or organization, or any other entity.

"**Stock**" means (a) all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting, and all rights (including management rights) as and to become a member of any limited liability company; and (b) all securities convertible into or exchangeable for any other Stock and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any other Stock, whether or not presently convertible, exchangeable or exercisable.

REGISTERED US MARKS:

Mark	Registration Number	Registration Date
SYLVAN	1410891	September 23, 1986
SYLVAN LEARNING	3732803	December 29, 2009
Sylvan Learning	3735313	January 5, 2010
Sylvan Learning	5329939	November 7, 2017
SYLVAN INSIGHT	4227443	October 16, 2012
SylvanSync	4467950	January 14, 2014
SYLVAN ADVANCED STUDY SKILLS	4732189	May 5, 2015
SylvanSync	4756178	June 16, 2015

Mark	Registration Number	Registration Date
SYLVAN LEARNING CENTER	5335718	November 14, 2017
SYLVAN TUTORING	4883227	January 5, 2016
	5087116	November 22, 2016
	5,142,208	February 14, 2017
ACE IT!	3392255	March 4, 2008
ACE IT! TUTORING	3402237	March 25, 2008
SYLVAN EDGE	5088525	November 22, 2016
	5088526	November 22, 2016

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

ATTACHMENT B
DEVELOPMENT SCHEDULE AND DEVELOPMENT AREA

Section 1.1.1.: The "Development Area" includes the following zip codes in the attached maps; if there is a conflict between the zip codes and the map below, the boundaries of the map control:

- Unit 1 (_____, ___): ___.
- Unit 2 (_____, ___): ___.
- Unit 3 (_____, ___): ___.

Unit 1:

[MAP 1]

Unit 2:

[MAP 2]

Unit 3:

[MAP 3]

Section 1.1.1.: The "Development Schedule" is as follows:

Unit Number	Franchise Agreement Execution Date	Deadline to Execute Lease	Projected Opening Date	Cumulative Number of Units to be Open and Operating by Developer in the Development Area
1	Concurrently with this Development Agreement	Six (6) months from the Effective Date	Nine (9) months from the Effective Date	**1**
2	Six (6) months from the Effective Date	Nine (9) months from the Effective Date	12 months from the Effective Date	**2**
3	12 months from the Effective Date	18 months from the Effective Date	21 months from the Effective Date	**3**

For the purposes of determining compliance with this Development Schedule, only the Units Developer actually opens and continuously operates in the Development Area for at least the first six (6) months after opening will be counted toward the number of Units required to be open and operated above.

IN WITNESS WHEREOF, the parties hereof have executed this Attachment B effective for all purposes as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
Sylvan Learning, LLC,	[_____],
a Delaware limited liability company	a _____
By: _____	By: _____
Susan Valverde, President	[_____], its _____

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

ATTACHMENT C
DEVELOPER'S OWNERS AND KEY PERSONNEL

A. The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in the Developer, and a description of the nature of their interest, and each Owner of whom shall execute the Undertaking and Guaranty substantially in the form set forth in Attachment D to the Development Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	OWNERSHIP INTEREST IN DEVELOPER	NATURE OF INTEREST

B. Developer's Designated Principal is: ___.
Telephone Number: ___.
Email Address: ___.

C. Developer represents to Franchisor that the persons identified in this Attachment C reflect a true and correct listing of the shareholders, partners, members, or other persons/companies owning a direct or indirect interest in the Developer and a true and correct description of the nature of their interest.

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

By: _____
Susan Valverde, President

DEVELOPER:
[_____],
a _____

By: _____
[_____], its _____

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

ATTACHMENT D
UNDERTAKING AND GUARANTY

By virtue of executing a SYLVAN LEARNING® Development Agreement dated _____, 20__ ("Development Agreement"), [_____] ("Developer") has acquired the right and franchise from Sylvan Learning, LLC ("Franchisor") to establish and operate a Sylvan Learning franchised business ("Franchised Business") and the right to use in the operation of the Franchised Business the Proprietary Marks and the System, as they may be changed, improved, and further developed from time-to-time in Franchisor's sole discretion.

Pursuant to the terms and conditions of the Development Agreement, each of the undersigned Owners hereby acknowledges and agrees as follows:

1. I have read the terms and conditions of the Development Agreement and acknowledge that the execution of this Undertaking and Guaranty and the undertakings of the Owners in the Development Agreement are in partial consideration for, and a condition to, the granting of the rights under the Development Agreement. I understand and acknowledge that Franchisor would not have granted such rights without the execution of this Undertaking and Guaranty and the other undertakings of the Owners in the Development Agreement.

2. I own a beneficial interest in the Developer, and I am included within the term "Owner" as defined in the Development Agreement.

3. I, individually and jointly and severally with the other Owners, hereby make all of the covenants, representations, warranties, and agreements of the Owners set forth in the Development Agreement, and agree that I am obligated to and will perform thereunder, including, without limitation, the provisions regarding compliance with the Development Agreement in Section 5.3., the use of confidential information in Section 6.1., the covenants in Article 6, the transfer provisions in Article 8, the choice of law and venue provisions in Article 11, and the indemnification obligations in Article 7.

4. I, individually and jointly and severally with the other Owners, unconditionally and irrevocably guarantee to Franchisor and its successors and assigns that all obligations of the Developer under the Development Agreement will be punctually paid and performed. Upon default by the Developer or upon notice from Franchisor, I will immediately make each payment and perform each obligation required of the Developer under the Development Agreement. Without affecting the obligations of any Owner under this or any other Undertaking and Guaranty, Franchisor may, without notice to any Owner, waive, renew, extend, modify, amend, or release any indebtedness or obligation of the Developer or settle, adjust, or compromise any claims that Franchisor may have against the Developer. I waive all demands and notices of every kind with respect to the enforcement of this Undertaking and Guaranty, including notices of presentment, demand for payment or performance by the Developer, any default by the Developer or any guarantor, and any release of any guarantor or other security for this Undertaking and Guaranty or the obligations of the Developer. Franchisor may pursue its rights against me without first exhausting its remedies against the Developer and without joining any other guarantor and no delay on the part of Franchisor in the exercise of any right or remedy will operate as a waiver of the right or remedy, and no single or partial exercise by Franchisor of any right or remedy will preclude the further exercise of that or any other right or remedy. Upon Franchisor's receipt of notice of the death of any Owner, the estate of the deceased will be bound by the foregoing Undertaking and Guaranty, but only for defaults and obligations under the Development Agreement existing at the time of death, and in that event, the obligations of the Owners who survive such death will continue in full force and effect.

5. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Undertaking and Guaranty. If the Developer has pledged other security or if one or more other persons have personally guaranteed performance of the Developer's obligations, I agree that Franchisor's release of such security will not affect my liability under this Undertaking and Guaranty.

6. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

7. I understand that Franchisor's rights under this Undertaking and Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under governing law.

8. I agree to be bound individually to the provisions of the Development Agreement including, without limitation, the litigation and dispute resolution provisions set forth in Article 11 and I irrevocably submit to the jurisdiction of the state and federal courts serving the judicial district in which Franchisor's principal headquarters are located at the time litigation is commenced. I hereby irrevocably submit to the exclusive jurisdiction of such courts and specifically waive any objection I may have to either the jurisdiction or exclusive venue of such courts.

9. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE DEVELOPMENT AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE DEVELOPMENT AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE**.

10. This Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by Franchisor. Any capitalized terms contained in but not defined by this Undertaking and Guaranty shall have the same meaning prescribed to that word in the Development Agreement.

11. Should this Agreement be signed or endorsed by more than one person or entity, all of the obligations herein contained shall be considered the joint and several obligations of each signatory.

12. **DISPUTE RESOLUTION BY BINDING ARBITRATION.**

12.1 Any dispute or claim between the Developer and Owners, and the Franchisor, including but not limited to any dispute or claim arising out of or relating in any way to

(i) this undertaking and guaranty or any other agreement Developer and Owners, and the Franchisor,

(ii) the offer and sale of the franchise opportunity,

(iii) any representations made prior to the execution of this undertaking and guaranty,

(iv) the validity, enforceability, or scope of this undertaking and guaranty and this arbitration agreement, and

(v) the relationship of the parties

must be submitted to binding arbitration before the American Arbitration Association ("AAA") pursuant to its Commercial Arbitration Rules in effect at the time the arbitration demand is filed. The AAA rules are available online at http://www.adr.org. The only disputes or claims that shall not be subject to arbitration shall be those that relate to the protection or enforcement of Franchisor's rights in and to intellectual property (including, but not limited to, the Proprietary Marks). The number of arbitrators shall be one. This arbitration

agreement and the arbitration shall be subject to and governed by the Federal Arbitration Act, and not any state arbitration law.

12.2 Developer and Owners, and the Franchisor agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Developer and Owners, and the Franchisor may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Developer and Owners, and the Franchisor or any other person or entity. The arbitrator shall have no power to preside over or consider any form representative, joint, consolidated, collective or class proceeding. Despite the foregoing or anything to the contrary in this Section, if any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then the parties agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Section 12.11. below.

12.3 Developer and Owners, and the Franchisor are bound by any limitation under this Agreement or governing law, whichever expires first, on the timeframe in which claims must be brought. Developer and Owners, and the Franchisor Parties further agree that, in connection with any arbitration proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in the proceeding will be barred. The arbitrator does not have the right to consider any settlement discussions or offers made by Developer and Owners, and the Franchisor.

12.4 Unless prohibited by law, the arbitration shall occur in Tarrant County, Texas. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence.

12.5 Except as may be required by law, neither Developer and Owners, and the Franchisor, nor an arbitrator may disclose the existence, content, or results of any arbitration under this Section without the prior written consent of all parties.

12.6 The arbitrator must follow, and may not disregard, the governing law.

12.7 The arbitrator has the right to award any relief he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (in accordance with Section 12.12. below), provided that Developer and Owners, and the Franchisor waive to the fullest extent the law permits any right to or claim for any punitive, exemplary, treble, and other forms of multiple damages against the other. The arbitrator's award and decision will be conclusive and bind all parties covered by this Section, and judgment upon the award may be entered in a court specified or permitted in Section 12.10. below.

12.8 The decision of the arbitrator will be final and binding on all parties to the dispute. A judgment may be entered upon the arbitration award in any federal or state court having jurisdiction.

12.9 Despite the existence of the arbitration clause, the parties shall have the right to seek temporary restraining orders, preliminary injunctions, and similar equitable relief from a court pending arbitration of the merits of the claims. Any injunctive relief may be given without the necessity of Franchisor posting bond or other security and any such bond or other security is hereby waived.

12.10 To the fullest extent permitted by law, the parties agree that any actions

permitted to be brought under this Agreement by either party in any court may only be brought in a federal or state court serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced. Owners hereby irrevocably submit to the jurisdiction of the federal and state courts serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced and waive any objection you may have to the jurisdiction of or venue in such courts.

12.11 Subject to the arbitration obligations in this Article 12, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county where Franchisor's principal place of business is then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which Developer and Owners reside or the Franchised Business is located.

12.12 If any party commences a legal action against the other party arising out of or in connection with this undertaking and guarantee, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has executed this Undertaking and Guaranty to be effective on the day and year first written above.

OWNER

_____ _____

_____ _____

EXHIBIT G
TO THE FRANCHISE DISCLOSURE DOCUMENT

SAMPLE FORM OF GENERAL RELEASE

GENERAL RELEASE

This general release (the "General Release") is made and entered into on _____, 20__ by and between Sylvan Learning, LLC ("Franchisor"), [_____] ("Franchisee"), [_____] and [_____] (each a "Guarantor," together with the Franchisee, the "Franchisee Parties"). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties agree as follows.

1. To the maximum extent permitted by applicable law, the Franchisee Parties on behalf of themselves and each of their past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (together with the Franchisee Parties, the "Releasing Parties") do remise, release, waive, and forever discharge Sylvan Learning, LLC, Sylvan In-Home, LLC, Unleashed Brands, LLC, UA Holdings, LLC, Unleashed Services, LLC and each of their respective past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (collectively, the "Franchisor Parties") from any and all claims, demands, obligations, liabilities, actions, proceedings, agreements, debts, demands, damages, accounts, charges, invoices, discounts, incentives, allowances, controversies, expenses, attorneys' fees, suits, arbitrations, and causes of action whatsoever, in law or equity, whether known or unknown, past, present, or future, which the Releasing Parties have, have had, claim to have, or may have against the Franchisor Parties including, but not limited to, any and all claims and damages in any way arising out of or related to (1) that franchise or license agreement between Franchisor and Franchisee dated _____ regarding the operation of a Sylvan franchise located at _____, as amended; (2) any other Franchise or License Agreement, license agreement, or any other contract between any Releasing Party and any Franchisor Party; (3) the offer and sale of any Sylvan franchise opportunity, (4) the disclosure requirements under the FTC Franchise Rule (16 CFR et seq); (5) any other state franchise law, (6) any alleged misrepresentations made by the Franchisor Parties in the sale of a franchise to the Releasing Parties or otherwise; (7) any and all claims arising under local, state, and federal laws, rules, and ordinances, whether statutory or under common law; (8) Sylvan franchise located at _____; (9) any relationship between the Releasing Parties and the Franchisor Parties; (10) Sylvan Agreements and any other agreements related to the Center and the Franchised Business; and (11) any relationship between the releasing parties and the Franchisor Parties.

2. The Releasing Parties acknowledge this General Release extends to all claims the Releasing Parties do not know or suspect to exist in their favor at the time of executing this General Release, which if were known to exist may have materially affected the decision to enter into this General Release. The Releasing Parties understand the facts in respect of which this General Release is given may hereafter turn out to be other than or different from the facts known or believed to be true and agree this General Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts. By executing this General Release, the Releasing Parties expressly assume the risk of the facts turning out to be different and agree this General Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts. The Releasing Parties acknowledge and agree that they have had the opportunity to seek the advice of and are represented by independent legal counsel and have read and understood all the terms and provisions of this General Release. The Releasing Parties, jointly and individually, covenant and agree that none of them will commence, maintain, participate in, or prosecute any claim, demand, suit, action, or cause of action against the Franchisor Parties concerning the claims released in this General Release.

3. This General Release represents the entire agreement of the parties regarding the subject matter hereof and may only be modified in writing.

[If Releasor is domiciled or has his or her principal place of business in the State of California or if the franchised business is located in the State of California]

WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.

[_____] ("Releasor") for myself and on behalf of all persons acting by or through me, acknowledge that I am familiar with Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASING PARTY.

Releasor hereby waives and relinquishes every right or benefit which I have under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that they may lawfully waive such right or benefit. In connection with this waiver and relinquishment, Releasor acknowledges he or she may hereafter discover facts in addition to or different from those which he or she now knows or believes to be true with respect to the claims herein released, but that it is the parties' intention, subject to the terms and conditions of this General Release, to fully, finally and forever settle and release all such claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist. In furtherance of such intention, the releases given in this General Release shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts.

Releasor warrants and represents the release set forth above is a complete defense to any claim encompassed by its terms, and covenants not to initiate, prosecute, or otherwise participate in any action or proceeding in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under this General Release with respect to any claim or cause of action released under this General Release.

[If Releasor is domiciled or has his or her principal place of business in the State of Washington or if the franchised business is located in the State of Washington]

Notwithstanding anything to the contrary, this General Release does not apply to any claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this General Release as of the dates set forth below.

FRANCHISEE PARTIES:

[_____],

a _____

By: _____

[_____], its _____

_____

[_____], individually

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT H
TO THE FRANCHISE DISCLOSURE DOCUMENT

SAMPLE FORM ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT AND _[_____]_ AMENDMENT TO FRANCHISE AGREEMENT

[_____, ____ | #_____]

This Assignment and Assumption of Franchise Agreement and ____ Amendment to Franchise Agreement ("Agreement") is effective on _____ ("Effective Date") between Sylvan Learning, LLC, a Delaware limited liability company ("Franchisor"), [_____], a _____ ("Assignor"), and [_____] and [_____] (collectively, "Assignor Guarantors"), and [_____], a _____ ("Assignee"), and its undersigned guarantors (the "Assignee Guarantors"). Franchisor, Assignor, Assignor Guarantors, Assignee, and Assignee Guarantors may be referred to herein as a "Party" or collectively as the "Parties."

WHEREAS, Franchisor and Assignor entered into that certain franchise agreement (also referred to as "license agreement") dated _____ with Franchise #_____ ("Franchise Agreement") where Assignor acquired the right and undertook the obligation to establish and operate a SYLVAN LEARNING franchised business ("Franchised Business") located in _____, _____ (the "Center").

WHEREAS, Assignor desires to assign to Assignee all of its interest, rights, duties, and obligations in the Franchise Agreement (collectively, the "Assignment"); and

WHEREAS, pursuant to the Franchise Agreement, the parties acknowledge that the Assignment require Franchisor's consent, and Franchisor desires to provide its consent pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. ASSIGNMENT AND ASSUMPTION; CONSENT TO TRANSFER. Assignor assigns and transfers to Assignee all of its interest, rights, and duties under the Franchise Agreement. Assignee hereby accepts such rights, assumes all of Assignor's obligations, and agrees to be bound by and observe and faithfully perform all duties as if the Franchise Agreement were originally written with Assignee as the "Franchisee." Franchisor consents to such Assignment pursuant to the terms and conditions of this Agreement.

2. AMENDMENT TO FRANCHISE AGREEMENT. Attachments [_____] to the Franchise Agreement are superseded and replaced with the versions attached hereto.

3. WAIVER OF RIGHT OF FIRST REFUSAL AND FORMAL NOTICE REQUIREMENTS. Pursuant to the Franchise Agreement, Franchisor consents to the Assignment conditioned on the Parties' satisfaction of all conditions set forth herein and the full and complete execution of this Agreement. The Parties acknowledge and agree that Franchisor's consent applies only to the Assignment contemplated by this Agreement. Any and all future assignments or transfers are subject to the terms of the Franchise Agreement and remain subject to Franchisor's further consent. Franchisor waives any obligations of the Assignor to comply with any formal notice requirements under the Franchise Agreement with respect to the Assignment contemplated by this Agreement.

4. INDEMNITY. EXCEPT FOR GRANTING ITS CONSENT TO THE ASSIGNMENT, THE ASSIGNOR, ASSIGNOR GUARANTORS, AND EACH OF THEIR PAST AND PRESENT PARENTS, SUBSIDIARIES, AFFLIATES, PREDECESSORS, SUCCESORS, ASSIGNS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OWNERS, MEMBERS, MANAGERS, AGENTS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES, HEIRS, ADMINISTRATORS, EXECUTORS, AND ANCESTORS ("ASSIGNOR PARTIES") AND ASSIGNEE, ASSIGNEE GUARANTORS, AND EACH OF THEIR PAST AND PRESENT PARENTS, SUBSIDIARIES, AFFILIATES, PREDECESSORS, SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OWNERS, MEMBERS, MANAGERS, AGENTS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES, HEIRS, ADMINISTRATORS, EXECUTORS, AND ANCESTORS ("ASSIGNEE PARTIES") ACKNOWLEDGE AND AGREE SYLVAN LEARNING, LLC, SYLVAN IN-HOME, LLC,

UNLEASHED BRANDS, LLC, UNLEASHED SERVICES, LLC, AND EACH OF THEIR RESPECTIVE PAST AND PRESENT PARENTS, SUBSIDIARIES, AFFILIATES, PREDECESSORS, SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OWNERS, MEMBERS, MANAGERS, AGENTS, ATTORNEYS, EMPLOYEES, AND REPRESENTATIVES ("FRANCHISOR PARTIES") HAVE EXERCISED NO INFLUENCE OVER AND HAVE TAKEN NO PART IN THE ASSIGNMENT AND THE TRANSFER. ACCORDINGLY AND TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE ASSIGNOR PARTIES AND THE ASSIGNEE PARTIES SHALL UNCONDITIONALLY INDEMNIFY, DEFEND, AND HOLD HARMLESS THE FRANCHISOR PARTIES FROM ALL CLAIMS AND LOSSES AND EXPENSES INCURRED IN CONNECTION WITH ANY THIRD-PARTY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INVESTIGATION, OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF ENTERED INTO WITH THE WRITTEN APPROVAL OF ASSIGNOR, WHICH APPROVAL WILL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED (WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED), ARISING OUT OF OR RELATED TO THE ASSIGNMENT AND TRANSFER OTHER THAN ANY CLAIMS OR LOSSES AND EXPENSES ARISING FROM ANY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INVESTIGATION, OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF (WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED), BY A GOVERNMENTAL AUTHORITY ARISING FROM FRANCHISOR'S ACTUAL OR ALLEGED NON-COMPLIANCE WITH APPLICABLE FRANCHISE LAWS.

5. GENERAL RELEASE. For all good and valuable consideration, to the maximum extent permitted by governing law, the Assignor Parties do remise, release, waive, and forever discharge Franchisor Parties from any and all claims, demands, obligations, liabilities, actions, proceedings, agreements, debts, demands, damages, accounts, charges, invoices, discounts, incentives, allowances, controversies, expenses, attorneys' fees, suits, arbitrations, and causes of action whatsoever, in law or equity, whether known or unknown, past or present, which the Assignor Parties have, have had, claim to have, or may have against the Franchisor Parties including, but not limited to, any and all claims and damages in any way arising out of or related to (1) that Franchise Agreement between Sylvan Learning, LLC and Assignor dated _____ regarding the operation of Sylvan Franchised Business to be develop at a Sylvan Learning Center in _____, ____; (2) any other license or franchise agreement or any other contract between any Assignor Party and any Franchisor Party; (3) the offer and sale of any Sylvan franchise opportunity; (4) the disclosure requirements under the FTC Franchise Rule (16 CFR et seq); (5) any other federal and state franchise law; (6) any alleged misrepresentations made by the Franchisor Parties in the sale of a franchise to the Assignor Parties or otherwise; (7) any and all claims arising under local, state, and federal laws, rules, and ordinances, whether statutory or under common law; (8) Sylvan Franchised Business to be located in _____, ____; (9) any assignment and assumption related to the Franchise Agreement, Center, and Franchise Business; (10) Sylvan Agreements, and any other agreements related to the Center and the Franchised Business; and (11) any relationship between the Assignor Parties and the Franchisor Parties.

6. COVENANT NOT TO SUE. The Assignor Parties, jointly and individually, covenant and agree that none of them will commence, maintain, participate in, or prosecute any claim, demand, suit, action, or cause of action against the Franchisor Parties concerning the claims released in Section 5 above.

7. MISCELLANEOUS PROVISIONS.

A. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the Parties concerning the subject matter hereof, supersede any prior agreement or representations made between the Parties, either written or oral, and may only be modified in writing. The Parties shall execute such further documents and do any and all further things necessary to implement and carry out the intent of this Agreement. To the extent of a conflict between this Agreement and the Franchise Agreement, this Agreement shall control.

B. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature or acknowledgment of, or on behalf of, each party, or that the signature of all persons required to bind any party, or the acknowledgment of such party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.

C. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, representatives, administrators, successors, and assigns.

D. GOVERNING LAW, VENUE, & ATTORNEYS' FEES. This Agreement and the performance of all the obligations set forth in this Agreement shall be governed, construed, and enforced by the laws of the State of Texas and this Agreement shall be performable and venue shall lie exclusively in the county in which the Franchisor is headquartered. If either party employs an attorney to enforce the terms of or defend a claim brought under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, court costs and expenses incurred. Prevailing party shall mean the party who substantially prevails on the claims or defenses asserted without regard to whether such party recovered any relief, direct benefit, or monetary damages.

E. ENFORCEABILITY. If any one or more of the provisions contained in this Agreement are, for any reason, held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision thereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

F. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[SIGNATURES PAGE FOLLOWS.]

INTENDING TO BE LEGALLY BOUND, the parties have executed this Agreement to be effective on the Effective Date.

ASSIGNOR:
[_____],
a _____

By: _____
[_____], its _____

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

By: _____
Susan Valverde, President

ASSIGNOR GUARANTORS:

_____
[_____], individually

_____
[_____], individually

ASSIGNEE:
[_____],
a _____

By: _____
[_____], its _____

ASSIGNEE GUARANTORS:

_____
[_____], individually

_____
[_____], individually

REPLACEMENT ATTACHMENTS

TO ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT AND [_____] AMENDMENT TO FRANCHISE AGREEMENT

(Please see Attachments B to J attached to Sylvan Learning Franchise Agreement in Exhibit E to this disclosure document)

EXHIBIT I
TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE QUESTIONNAIRE

(THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE WILL NOT BE USED IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN).

(THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE WILL NOT BE USED IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN).

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, SYLVAN LEARNING, LLC ("we" or "us") and you are preparing to enter into a Franchise Agreement for the operation of a SYLVAN franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the disclosure document, but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer by emailing Franchising@UnleashedBrands.com.

Yes ____ No ____ 1. Have you received and personally reviewed SYLVAN Franchise Agreement and each attachment, exhibit, or schedule attached to it?

Yes ____ No ____ 2. Have you received and personally reviewed SYLVAN disclosure document we provided?

Yes ____ No ____ 3. Did you sign a receipt for SYLVAN disclosure document indicating the date you received it?

Yes ____ No ____ 4. Do you understand all the information contained in SYLVAN disclosure document and Franchise Agreement?

Yes ____ No ____ 5. A) Have you had ample time and the opportunity to review SYLVAN disclosure document and SYLVAN Franchise Agreement with a lawyer, accountant or other professional advisor?

Yes ____ No ____ B) Have you had the opportunity to discuss the benefits and risks of operating a SYLVAN franchise with your professional advisor?

Yes ____ No ____ C) Did you discuss the benefits and risks of operating a SYLVAN franchise with an existing SYLVAN franchisee?

Yes ____ No ____ 6. Do you understand the risks of operating a SYLVAN franchise?

Yes ____ No ____ 7. Do you understand the success or failure of your SYLVAN franchise will depend in large part upon your skills, abilities and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes ____ No ____ 8. Do you understand we are not obligated to provide assistance to you in finding and securing a location for your SYLVAN Franchised Business?

Yes ____ No ____ 9. A) Do you understand all disputes or claims you may have arising out of or relating to SYLVAN Franchise Agreement must be brought in the judicial district in which our principal place of business is located, if not resolved informally?

Yes ____ No ____ B) Do you understand SYLVAN Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to SYLVAN Franchise Agreement, and not any punitive, special, consequential or exemplary damages?

(THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE WILL NOT BE USED IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN).

Yes ____ No ____ 10. Do you understand that your Designated Manager must successfully complete our initial training program?

Yes ____ No ____ 11. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?

Yes ____ No ____ 12. Is it true that, except as provided in Item 19 of our FDD, we and our affiliates have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of SYLVAN franchise or any other business?

Yes ____ No ____ 13. Do you understand that actual results vary from Center to Center and from time period to time period, and we cannot estimate, project, or predict the results of any particular SYLVAN business?

Yes ____ No ____ 14. Do you acknowledge that you are an independent contractor and responsible for running your own SYLVAN business and that we do not have any authority to control, hire, or fire your employees?

Yes ____ No ____ 15. Is it true that neither we or our affiliates, or any of our or our affiliates' employees, have provided you with services or advice that is legal, accounting, or other professional services or advice?

Yes ____ No ____ 16. A) Do you understand that the U.S. Government has enacted anti-terrorist legislation that prevents us from carrying on business with any suspected terrorist or anyone associated directly or indirectly with terrorist activities?

Yes ____ No ____ B) Is it true that you have never been a suspected terrorist or associated directly or indirectly with terrorist activities?

Yes ____ No ____ C) Do you understand that we will not approve your purchase of a SYLVAN franchise if you are a suspected terrorist or associated directly or indirectly with terrorist activity?

Yes ____ No ____ D) Is it true that you are not purchasing a SYLVAN franchise with the intent or purpose of violating any anti-terrorism law, or for obtaining money to be contributed to a terrorist organization?

For Maryland Residents Only: Such representations are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

For Washington Residents Only: Such representations are not intended to nor will they act as a waiver of any liability incurred under the Washington Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

_____
Print Name

_____ _____
Signature Date

If signing on behalf of a corporation or other entity, please complete the following:

(THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE WILL NOT BE USED IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN).

_____ _____

Name of Entity Title

EXHIBIT J
TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

This disclosure document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	April ~~14~~24, ~~2025~~2026 (Exempt)
Hawaii	~~June 11, 2025~~Pending
Illinois	April ~~14~~24, ~~2025~~2026 (Exempt)
Indiana	April ~~16~~24, ~~2025~~2026
Maryland	~~April 18, 2025~~Pending (Exempt)
Michigan	April ~~14~~24, ~~2025~~2026
Minnesota	~~June 16, 2025~~Pending
New York	~~May 27~~April 24, ~~2025~~2026 (Exempt)
North Dakota	~~April 16, 2025~~Pending (Exempt)
Rhode Island	~~April 29, 2025~~Pending (Exempt)
South Dakota	April ~~16~~24, ~~2025~~2026
Virginia	~~April 30, 2025, as amended June 17, 2025~~Pending (Exempt)
Washington	~~April 24, 2025~~Pending (Exempt)
Wisconsin	April ~~16, 2025, as amended May 15, 2025~~24, 2026

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

EXHIBIT K
TO THE FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

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 Sylvan offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Sylvan does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit B. Franchisor authorizes the respective state agencies identified on Exhibit B to receive service of process for it in a particular state.

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

Name	Principal Business Address	Telephone Number
~~Josh Barker~~Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	877.203.2192

Issuance date: April ~~14~~24, ~~2025~~2026.

I received a disclosure document dated April ~~14~~24, ~~2025~~2026 (and with effective dates of state registration as listed on the State Effective Dates page) that included the following Exhibits:

Exhibit A	Operations Manual Table of Contents
Exhibit B	List of State Administrators and Agents for Service of Process
Exhibit C	Financial Statements
Exhibit D	Franchises in Operation, Franchisees Who Have Signed But Not Yet Opened, Franchisees Who Have Left the System, and Affiliate-Owned Locations
Exhibit E	Franchise Agreement, Attachments, and State-Specific Amendments
Exhibit F	Development Agreement, Attachments, and State Specific Amendments
Exhibit G	Sample Form of General Release
Exhibit H	Sample Form Assignment and Assumption Agreement
Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	State Effective Dates
Exhibit K	Receipts

Print Name _____ Signature _____ Date _____

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

Company Name _____ Authorized Signatory and Signature _____

Keep this copy for your records.

RECEIPT

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

If Sylvan offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Sylvan does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit B. Franchisor authorizes the respective state agencies identified on Exhibit B to receive service of process for it in a particular state.

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

Name	Principal Business Address	Telephone Number
~~Josh Barker~~Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	877.203.2192

Issuance date: April ~~14~~24, ~~2025~~2026.

I received a disclosure document dated April ~~14~~24, ~~2025~~2026 (and with effective dates of state registration as listed on the State Effective Dates page) that included the following Exhibits:

Exhibit A	Operations Manual Table of Contents
Exhibit B	List of State Administrators and Agents for Service of Process
Exhibit C	Financial Statements
Exhibit D	Franchises in Operation, Franchisees Who Have Signed But Not Yet Opened, Franchisees Who Have Left the System, and Affiliate-Owned Locations
Exhibit E	Franchise Agreement, Attachments, and State-Specific Amendments
Exhibit F	Development Agreement, Attachments, and State Specific Amendments
Exhibit G	Sample Form of General Release
Exhibit H	Sample Form Assignment and Assumption Agreement
Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	State Effective Dates
Exhibit K	Receipts

Print Name _____ Signature _____ Date _____

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

Company Name _____ Authorized Signatory and Signature _____

Please sign this copy of the receipt, date your signature, and return it by mail or email to ~~Josh Barker~~Joshua Wall, 2350 Airport Freeway, Suite 505, Bedford, Texas 76022, or franchising@unleashedbrands.com.