LICENSE DISCLOSURE DOCUMENT

ABBEY ROAD INSTITUTE, LLC
A Delaware Limited Liability Company
4 Pancras Square
London N1C 4AG, United Kingdom
+44 (0)(20) 7266-7397
www.abbeyroadinstitute.com
licensing@abbeyroadinstitute.com

An Abbey Road Institute licensee will operate a business (the “Business”) that operates a training school (an “Institute”) that provides training services, through the provision of various courses, seminars and other instructional services in the music production and audio engineering fields (the “Courses”) to students, as well as other related programs, products and services.

The total investment necessary to begin operation of a single Abbey Road Institute license is from $1,432,400 to $1,798,100 (excluding the Pre-Launch Marketing and Recruitment Campaign), including $385,000 that must be paid to the licensor or its affiliate.

This disclosure document summarizes certain provisions of your license 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 licensor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Luca Barassi at 3 Abbey Road, London, NW8 9AY, United Kingdom or +44 (0)20 7266 7397.

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 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, DC 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: January 31, 2022

How to Use This License 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 licensees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the licensor or at the licensor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the licensor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 licensed outlets.
Will my business be the only Abbey Road Institute business in my area?	Item 12 and the "territory" provisions in the license agreement describe whether the licensor and other licensees can compete with you.
Does the licensor have a troubled legal history?	Items 3 and 4 tell you whether the licensor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Abbey Road Institute licensee?	Item 20 lists current and former licensees. 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 License Agreement may allow the licensor 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 licensor or a limited group of suppliers the licensor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The License 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 licensor. Even if the License Agreement grants you a territory, the licensor may have the right to compete with you in your territory.

Renewal. Your License 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 License 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 licensors 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 C.

Your state also may have laws that require special disclosures or amendments be made to your License 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 License Agreement requires you to resolve disputes with the licensor by arbitration in London, England under the London Court of International Arbitration Rules. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the licensor in London, England.

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.

TABLE OF CONTENTS

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

To simplify the language in this disclosure document, “we” or “us” means Abbey Road Institute, the licensor. "You" means the individual, corporation or partnership who buys the franchise. If the licensee will operate through a corporation, limited liability company, partnership or other business entity, "you" also includes the licensee's owners or partners. Our agents for service of process in the states whose franchise laws require us to name a state agency as agent for service are shown on Exhibit D.

We are a Delaware limited liability company organized in August, 2021. We have no predecessors. We conduct business under the name “Abbey Road Institute, LLC” and “Abbey Road Institute”. Our principal business address is 4 Pancras Square, London N1C 4AG United Kingdom, and our telephone number is +44 (0)20 7266 7397. We have been offering Abbey Road Institute franchises since the date of this disclosure document. We have not conducted business or offered franchises or licenses in any other line of business. Since July, 2015, our parent, Abbey Road Training Limited, has offered and sold unit franchises in Australia, France, Germany, the Netherlands, South Africa and the United States (Miami, Florida) for the right to operate Institutes of the same type being offered in this disclosure document. Abbey Road Training Institute Limited will continue to offer Abbey Road Institute franchises outside of the United States.

We are a wholly owned subsidiary of Abbey Road Training Limited, a United Kingdom private limited company formed in September, 2014 (“Abbey Road Limited”). Abbey Road Limited is a joint venture owned by Heritage Investments FZE and Virgin Records Limited. Heritage Investments FZE is a United Arab Emirates private limited company formed in September, 2020 with a principal business address of Office No. S10123O105 P.O Box 336263 Jabal Ali, Dubai, United Arab Emirates. Virgin Records Limited is a United Kingdom private limited company formed in September, 1972 with a principal business address of 4 Pancras Square, London N1C 4AG United Kingdom. The ultimate parent company of Virgin Records Limited is Vivendi S.E., a French public company formed in December, 2000 with a principal business address of 42 Avenue de Friedland Paris Cedex 08, 75380 France. There are a number of intermediate business entities in between the change of ownership between Vivendi S.E. and Virgin Records Limited; however, they do not have any direct or indirect control over us.

Our parent, Abbey Road Limited, assigned us the right to use the Proprietary Marks and System (as defined below) through a Cross-License Agreement dated November 18, 2021.

We, our parent and affiliates have developed a proprietary system (the “System”) for opening and operating businesses (each, a “Business”) that operate training schools (each, an “Institute”) that provides training services, through the provision of various courses, seminars and other instructional services in the music production and audio engineering fields (the “Courses”) to students, as well as other related programs, products and services. The System makes use of the trademark, service mark and fictitious business name “Abbey Road Institute” and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the “Proprietary Marks”).

In this disclosure document, we offer the right to acquire a unit franchise (see the License Agreement in Exhibit A) for the right to operate an Abbey Road Institute.

COVID-19 and its variants have disrupted and continue to significantly disrupt local, regional and global economies and businesses. The situation regarding COVID-19 is changing rapidly and subject to change. You must, at all times, comply with all applicable laws, rules and orders of any government authority concerning the outbreak and your response. Disruptions to normal economic activity in the coming weeks and months cannot be predicted. We reserve the right to make any adjustments to our services as we may determine necessary, in our sole judgement, from time to time in order to protect health and safety. These adjustments may include, by way of example but without limitation, suspending in-person gatherings such as training, meetings and conferences; instead, such events may be conducted virtually.

Abbey Road Institute services are generally marketed to consumers seeking educational pathways in the fields of music production and audio engineering. The market is developed. Sales are not seasonal, but will primarily occur during the Institute's academic school year (which typically has a fall semester that begins in September and concludes in November or December and a spring semester that begins in March and ends in May). Depending on local demand, Institutes may also offer additional courses during the summer and winter months.

You will compete with private and public universities as well as vocational training centers operating in the field of music production and audio engineering education. You may also compete with other Abbey Road Institute owned by us, our affiliates or other licensees. Some competitors may be larger and have better financial resources. Some competitors may have better name recognition than Abbey Road Institute. Some may be privately held or publicly held entities. The ability of each Abbey Road Institute to compete depends on its location, ingress and egress, signage, parking, service, employee attitudes, overhead, changing local market and economic conditions, and many other factors both within and outside your control.

In addition, the laws, rules and regulations which apply to businesses in general (including without limitation the Americans with Disabilities Act) will affect you. You should consult with your attorney concerning all laws and regulations that may affect your Institute.

ITEM 2 BUSINESS EXPERIENCE

Company Director / Chief Executive Officer: Luca Barassi

Luca Barassi has served as a Company Director of our parent, Abbey Road Limited, since September, 2014 in London, UK and as the Chief Executive Officer of our parent since April, 2018 in London, UK. Mr. Barassi oversees the day-to-day operations of our franchise program.

Marketing Manager: Hannah Fitzgerald

Hannah Fitzgerald has served as our Marketing Manager of our parent, Abbey Road Limited, since October, 2016 in London, UK and she oversees and implements the marketing initiatives for our franchise program.

Programme Director: Carlos Lellis

Carlos Lellis has served as the Programme Director for our parent, Abbey Road Limited, since May 2015 in London, UK and he oversees the course programming for our franchise program.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

If you will open a single Abbey Road Institute under a single License Agreement, the Initial License Fee is $385,000. The Initial License Fee is due in one lump sum when you sign the License

Agreement, is fully earned when paid and is not refundable any portion of the Initial License Fee for any reason.

During the Initial Term of the License Agreement, you shall have the option (but not the obligation) to open one or more additional Abbey Road Institutes within your Territory (the “Additional Institute Option”). If you elect to exercise your Additional Institute Option, then you and we will agree to negotiate with each other in good faith to determine the location of the additional Institute and the timing in which you must commence operations. If following our negotiations, you still wish to exercise your Additional Institute Option, then you must execute our then-current License Agreement and pay us an Initial License Fee equal to 30% of our then-current Initial License Fee for each additional Institute you elect to develop. The Initial License Fee for each additional Institute is due when you sign the License Agreement for your subject Institute and is not refundable. If you fail to exercise your Additional Institute Option prior to the expiration or termination of the Initial Term of your License Agreement, then your Additional Institute Option will expire. If you and we enter into a Successor License Agreement, then you will have a right of first refusal (exercisable during the Successor Term) to open additional Institutes in your Territory if you match the terms under which a third party is willing to open an additional Institute in your Territory.

You pay us or our affiliates no other fees or payments for services or goods before your Abbey Road Institute opens.

ITEM 6 OTHER FEES

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Student Royalties	8% of Gross Revenues from Short Courses; 8% of Gross Revenues from Main Courses. See Note 1.	Payable in connection with Course commencement date. See Note 1.	"Gross Revenues" includes all revenues from the Abbey Road Institute Business. Fully defined in License Agreement, Section 5.04. See Note 1.
Advisory Fee	$17,500	Annually. See Remarks.	The Advisory Fee is in consideration of our quality assurance inspection and monitoring of certain aspects of your Institute for compliance with our Brand Standards, and providing advice, know-how and guidance relating to promotion and methods of operation which are advisable in connection with the Business, and ancillary services thereto. The first annual Advisory Fee shall be due nine (9) months after the date you commence operation of your Institute (the “Advisory Fee Commencement Date”), and each subsequent Advisory Fee payment shall be made annually on the anniversary of the Advisory Fee Commencement Date.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Pre-Launch Marketing and Recruitment Campaign	5% of your Institute's projected revenue (figures provided by you to us) for the first year of operations. See Note 2.	Before opening	Unless we otherwise agree in writing, the expenditures for your pre-launch marketing and recruitment campaign must be made in the six (6) months before your Institute's scheduled opening.
Required Minimum Expenditure for Local Advertising	During your 1st year of operations, a minimum of fifteen percent (15%) of your Business' forecasted Gross Revenues. During your 2nd and 3rd year of operation, a minimum of twelve percent (12%) of your Business' Gross Revenues per year. During your 4th year of operation, a minimum of ten percent (10%) of your Business' Gross Revenues, and a minimum of eight percent (8%) of your Business' Gross Revenues thereafter. See Note 2.	Annually	Required expenditure percentage will not change during term of License Agreement.
Proprietary and Private Label Branded Products	See Note 3.	When you place orders for products systems, methods, platforms, supplies, equipment, materials or services	We reserve the right to require that you purchase proprietary and/or programs, products, systems, methods, platforms, supplies, equipment, materials or services from us, our affiliate or designee.
Testing fee	You must reimburse us for all costs and expenses incurred by us in connection with reviewing or approving a supplier proposed by you, including all travel and lodging expenses we incur.	As incurred.	We may test the product or service of any supplier you propose. Fee for testing pays for our expenses.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Initial Training	All living and transportation expenses of all trainees. The amounts are unknown and may vary depending upon factors such as the third-party supplier selected and your distance from training.	Expenses as incurred; fee for replacement trainees due before beginning of training.	We, our affiliate or designee will provide the Initial Training Program for (i) you (if an individual), and (ii) all of your essential personnel as we determine, including without limitation, your Institute Manager, Academic Directors (collectively, "Key Personnel"); (you and your Key Personnel collectively, the "Trainees") free of cost. All later appointed Trainees must also attend and successfully complete the Initial Training Program.
On-Site Training and Assistance	$600 per day.	When we request	You may request on-site training and/or assistance at any time. We are not obligated to provide this on-site training or assistance; however, if we do, we reserve the right to impose a fee for each day we provide.
On-Going Training	All living, lodging and transportation expenses of the trainees.	As incurred.	We may from time to time develop additional training programs which your Trainees a must attend and successfully complete. We may also require your Institute Manager and Academic Director to attend our graduation ceremony in London, England to collect the diplomas for the students who completed Courses at your Institute. While in London attending our graduation ceremony, we may require your Institute Manager and Academic Director to attend meetings and training sessions that we schedule.
Insurance	Varies.	As insurance carrier requires.	Insurance company sets the premiums and you pay the insurance company, except that if you fail to pay premiums for required insurance, we may pay premiums and charge you for them. Premiums may vary depending upon factors such as the insurance company selected and your claims experience. See Note 4.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Relocation	Reimbursement of our reasonable costs.	When we request	If you wish to relocate your Abbey Road Institute, you must reimburse us for any reasonable costs we incur in considering your request.
Taxes	None currently; if we have to pay such taxes, you will have to pay us the actual amount of taxes we have to pay (see the Remarks).	Promptly when due	You must pay us all taxes we pay except for our corporate income taxes due to programs or services we furnish to you, collected any fee from you, licensed our Proprietary Marks to you and/or entered into the License Agreement with you.
Advances	Actual amounts advanced.	When we request	You must pay us all amounts we advance to third parties for you.
Late Payment Charge	Interest at the lesser of (i) four percent (4%) above the base rate of the London Interbank Offered Rate (LIBOR) and (ii) the maximum amount which can be charged pursuant to the applicable law in the State in which your Institute is located.	When we request	We will not increase charge beyond amount in column 2 during term of License Agreement.
Audit Expenses	The amount of the audit. Expenses are unknown and may vary depending upon factors such as the auditor selected. See Note 5.	As incurred.	See Note 5.
Successor Term Fee	$38,500	Before we sign a successor license agreement (“Successor License Agreement”).	

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Transfer Fee	Fifty percent (50%) of our then-current Initial License Fee or such greater amount as is necessary to reimburse us for our reasonable costs and expenses associated with the application for transfer.	Before we approve the transfer.	Transfer / “assignment” is defined broadly and includes not only an assignment or transfer of your entire franchised Business, but can also include any portion of ownership interest in you or the franchised Business. For further detail see License Agreement Section 15.02.
Management Fee on Death or Disability	Greater of (a) two times the salary paid to individual(s) we assign to operate the Business, or (b) 10% of the Business's monthly Gross Revenues.	See Remarks	If, following your death or disability or the death or disability of your last surviving owner (if you are a business entity), the Estate fails to have one or more approved Institute Manager, as necessary, supervising the operation of your licensed Business on a full time basis, then until the Estate retains one or more approved Business Managers, as necessary, we may assume full control of and operate your licensed Business, but will have no obligation to do so. If we do, then we will deduct our expenses from the Business' Gross Revenues and pay ourselves the management fee shown in column 2. Management fee will be in addition to Student Royalties due us. We will remit any remaining funds to your Estate. Estate must pay us any deficiency in sums due us under License Agreement within 10 days of our notifying Estate of deficiency.
Indemnification of Us	Varies. The losses and expenses incurred by us.		You indemnify us from certain losses and expenses.
Application of Funds			We can apply your payments to the oldest obligation due.
Attorneys' and Experts' Fees, Court Costs	The amount of these fees and costs are unknown and may vary depending upon factors such as the attorneys and experts selected and the court costs.		See Note 6.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Proprietary Software	If we develop our own proprietary software and/or software support services, you will be required to purchase them from us at our then-current price and pay our then-current fees associated with same.	Upon request.	See Note 7.
Default Cure Fee	The amount of these costs are unknown and may vary depending upon the measures we take to cure your default.	As incurred.	See Note 8.
Insufficient Funds Fee	$100	When we request	Payable each time that a check you provide to us is returned or dishonored by the bank, or we attempt to debit your bank account for payments you owe us and the bank account has insufficient funds.
Option to Open Additional Institutes	Option Fee – 30% of our then-current Initial License Fee for each additional Institute	When you sign the License Agreement for the additional Institute	During the Initial Term of the License Agreement, you will have the option to open additional Institutes within your Territory. See Items 5 and 12

Notes

Unless otherwise stated, all fees on the table above are nonrefundable and the fee or its formula is uniformly imposed.

[1] You must pay us Student Royalties in accordance with the following formula: (a) with respect to Short Courses for which you charge a fee in excess of USD $500, Student Royalties equal to 8% of your Gross Revenues earned in connection with same, and (b) with respect to Main Courses, 8% of your Gross Revenues earned in connection with same. The Short Course Student Royalties shall be payable to us within 30 days from the course commencement date and the Main Course Student Royalties shall be payable to us in accordance with the following schedule: 50% of Gross Revenues from the Main Courses within 30 days from course commencement date and the remaining 50% of Gross Revenues earned from Main Courses on (a) the 20th week from the course commencement date, in the case of a full time Main Course or (b) the 36th week from the course commencement date, in the case of a part time Main Course. For the purposes of this Section, a full time Main Course refers to a course taught over a one-year period where students attend theoretical classes at least four (4) times a week, and a part time Main Course is a course taught over a two-year period where students attend theoretical classes

at least two (2) days a week. A Short Course is defined as Courses, seminars and other instruction services of up to, but not exceeding, 24 weeks in duration.

In addition, if you fail to report the Institute's Gross Revenues and any other sales data and/or information we request for any period when required, we may debit your account for 120% of the last Student Royalties that we debited. If the amount we debit from your account is less than the amount you actually owe us (once we have determined the true and correct Gross Revenues of the Institute), we will debit your account for the balance due on the day that we specify. If the amount we debit from your account is greater than the amount you actually owe us (once we have determined the true and correct Gross Revenues of the Institute), we will credit the excess (minus other amounts that you may owe us in connection with your failure to report your Institute's Gross Revenues and any late fees and interest fees assessed) against the amount we otherwise would debit from your account for the next payment due. For the avoidance of doubt, our right to debit your account in the manner set forth above does not negate your obligation to submit to us the reports specified in Section 5.05 of the License Agreement or waive your breach for your failure to do so, and in the event that we decide to exercise our rights set forth above, we retain the right to exercise any and all other or additional rights afforded to us under the License Agreement and/or under applicable law.

As defined in Section 5.04 of the License Agreement, "Gross Revenues" means all sums invoiced by you (whether or not received), revenues and income from any source that you directly or indirectly derive or receive from, through, by or on account of the operation of your licensed Business and/or Institute, whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise, including the value of all services rendered in your relevant fiscal year whether or not invoiced. Gross Revenues specifically includes revenues and income you receive from the proceeds of any business interruption insurance policies and/or the sale of any promotional or premium items. You may deduct from your Gross Revenues, to the extent that they have been included in your calculation of Gross Revenues, documented refunds, charge backs, credits and allowances that you give in good faith to students or other customers; proceeds from property damage or liability insurance; and proceeds from any civil forfeiture, condemnation, or seizure by government entities. You may also deduct from Gross Revenues all sales taxes or similar taxes which you legally charge to students or other customers if you add the taxes when you charge the student/customer; send the tax payments to the appropriate tax authorities when due; furnish to us within 30 days of payment an official receipt for payment of the taxes or any other evidence that we reasonably consider acceptable; and, state in the weekly report the amount of all these taxes and the payments to which they relate. Gross Revenues shall not include any revenue that you derive, directly or indirectly, from any commercial recording studio that you may operate from the premises of your Institute.

[2] To determine your projected (or forecasted) Gross Revenues for your first year of operations, you must (within thirty (30) days following the execution of the License Agreement) furnish us with a projection of the Gross Revenues you estimate that your Business will generate during its first year of operations based on your own independent analysis (the "Year 1 Forecasted Gross Revenues").

With respect to your required minimum local advertising expenditures, we will use your Year 1 Forecasted Gross Revenues (whether or not realized) to calculate the minimum annual expenditures that you must spend on the required local advertising and promotion you must conduct.

[3] You must buy or lease any proprietary and/or private label branded programs, products, systems, methods, platforms, supplies, equipment, materials or services from us, our affiliate or designee. We (or our affiliates or designees) will sell you proprietary and/or private label branded programs, products, systems, methods, platforms, supplies, equipment, materials or services under terms we develop and advise you of periodically. We may earn a profit on the sale of proprietary products to you.

[4] You must purchase and maintain in effect at all times the following insurance:

1. Broad form comprehensive general liability coverage, and broad form contractual liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, property damage and product liability. This insurance may not have a deductible or self-insured retention of more than $5,000;

2. Fire and Extended Coverage Insurance on your Institute and property in an amount adequate to replace after an insured loss;

3. Business Interruption Insurance to cover the rental of the Institute, maintenance of competent personnel and other fixed expenses for a minimum of 120 days;

4. If any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) $1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of $2,000,000, along with a minimum limit of $3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident;

5. Worker's Compensation, Employer's Liability Insurance and any other employee (insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than $1,000,000 for employer's liability insurance);

6. In connection with the construction, refurbishment, renovation, remodeling or upgrading of your licensed Institute, builders' and/or contractor's insurance and performance and completion bonds in forms and amounts acceptable to us; and,

7. Insurance coverage of types, nature and scope sufficient to satisfy your indemnification obligations under the License Agreement.

If you do not purchase the required insurance, we may obtain the insurance for you. We have no duty do so. If we obtain insurance for you, you must pay the premiums to the insurance company or reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. We can change the required coverages and amounts.

[5] If we audit your Business, and you understated the Gross Revenues on the monthly reports you submitted to us by more than 2% but less than 5% for any week or for the entire period, when compared with your actual Gross Revenues, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at the lesser of (i) four percent (4%) above the base rate of the London Interbank Offered Rate (LIBOR) and (ii) the maximum amount which can be charged pursuant to the applicable law in the State in which your Institute is located.

If you understated your Gross Revenues by 5% or more for any the entire period of examination, we can terminate the License Agreement and you must pay us the cost of the audit and the additional amounts owing, plus interest at the lesser of (i) four percent (4%)

above the base rate of the London Interbank Offered Rate (LIBOR) and (ii) the maximum amount which can be charged pursuant to the applicable law in the State in which your Institute is located. If you understated your Gross Revenues by 2% or less for any month or for the entire period, you must immediately pay us the amount due, plus interest at the lesser of (i) four percent (4%) above the base rate of the London Interbank Offered Rate (LIBOR) and (ii) the maximum amount which can be charged pursuant to the applicable law in the State in which your Institute is located, but we will pay the cost of the audit.

The percentages described in this footnote are fixed and will not change during the term of the License Agreement.

[6] You or we will can recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect your or our rights under the License Agreement, to enforce the terms of the License Agreement, or in any action begun or joined in by the other party against the prevailing party (for the avoidance of doubt, you will be required to reimburse us for any attorneys' fees and costs that we incur, in connection with revising your License Agreement or other agreements between us, as a result of inaccurate/misrepresented information provided to us by you).

If we become a party to any proceeding brought against us by a third party relating to the License Agreement, your Business or your Institute as a result of any act or omission of you, your Institute or your Business, or if we become a party to any litigation or insolvency proceeding involving you under any bankruptcy or insolvency code, then you must pay us our reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur.

If we terminate the License Agreement for your default, or if you terminate the Agreement through non-payment, you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees.

[7] If we develop our own proprietary computer software programs and software support services, you will be required to purchase such software from us at our then-current price, pay our then-current fees associated with same and sign our then-current standard form software license agreement. You will also be required to pay for any future updates or revisions to any proprietary software we develop. Since these items have not yet been developed, we do not know the cost of this software and/or any future updates or revisions at this time.

[8] If you default in the performance of your obligations or breach any term or condition of the License Agreement, then we have the right (but not the obligation) to cure such default or breach and require that you reimburse us for the costs and expenses we incur in curing such default or breach. The costs and expenses that we incur in curing your default or breach of the License Agreement will vary depending on the nature or the default or breach, therefore we cannot definitively determine the actual amount you will be required to reimburse us.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT*

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Initial License Fee	$385,000 See Item 5 and Note 1	Lump Sum	At signing of License Agreement	Us
Pre-Opening Training Expenses	$7,000 $10,000 See Note 2	As airlines, hotels, restaurants, etc. require	As airlines, hotels, restaurants, etc. require	Airlines, hotels, restaurants, etc.
Real Property	Note 3			
Construction and Leasehold Improvements	$470,000 – $600,000 See Note 4	As supplier requires	As supplier requires	Supplier
Equipment	$430,000 - $600,000 See Note 5	As supplier requires	As supplier requires	Supplier
Inventory to Begin Operating	$2,000 - $5,000 See Note 6	As supplier requires	As supplier requires	Supplier
Permits and Licenses	$15,000 - $30,000 See Note 7	As agency requires	As agency requires	Agency
Insurance	$8,400 – $12,600 See Note 8	As incurred	Before opening	Suppliers
Professional Fees	$14,000 – $20,000 See Note 9	As you agree with accountant/ attorney	As you agree with accountant/ attorney	Accountant/ Attorney
Signs	$1,000 – $1,500 See Note 10	As supplier requires	As supplier requires	Supplier
Pre-Launch Marketing and Recruitment Campaign	See Note 11	As supplier requires	As supplier requires	Supplier

* Unless otherwise stated, none of the expenses on this chart is fully refundable.

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Additional Funds (initial period – 3 months)	$100,000 – $130,000 See Note 12	As expenses occur	After opening	Various
TOTAL	**$1,432,400 to $1,798,100 (excluding the Pre-Launch Marketing and Recruitment Campaign)** (Note 13)			

Notes

[1] See Item 5 for circumstances when the Initial License Fee is partially refundable. None of the other fees shown on this table are refundable unless a supplier has a refund policy of which we are not aware. We do not finance any fee.

[2] We provide the Initial Training Program for (i) you (if you are an individual); and (ii) all of your essential management personnel as we determine, including without limitation, your principals, managing director, Institute Manager and Academic Directors, marketing and sales managers and lead technician (collectively, "Key Personnel"); at no charge. You pay all your trainees' living, lodging, food and transportation expenses. Travel expenses depend on where your home base is located, whether you and your trainees can commute by car to our training base, and the number of people receiving the Initial Training Program. Lodging, living and food expenses depend on number of people being trained and the class of accommodation. You pay all these expenses. The lower estimate in this range covers the expenses for one (1) individual who incurs minimal travel and lodging expenses and the higher estimate in this range covers the expenses for two (2) individuals who incur more expensive travel and lodging expenses. See Item 11.

[3] You are expected to have already leased or purchased at least 400 - 700 square meters (or 4,305 – 8,228 square feet) of commercial space in a suitable Location for your Institute. The development of your Institute's facilities can be approached in phases to allow for a gradual investment that is proportional to your Institute's growth. Abbey Road Institute's model allows you to scale part of the premises setup costs in line with the projected student maximum capacity. As an example, if you develop your Institute in accordance with our Abbey Road Institute Standard Configuration, you will need to lease an acceptable space between 530 and 700 square meters (or between 5,704 to 8,228 square feet). With the appropriate equipment, construction and lease improvement investment the Abbey Road Institute Standard Configuration will allow your Institute to cater to a maximum student population of up to 100 full-time students. Alternatively, you can develop your Institute in accordance with our Abbey Road Institute Basic Configuration. Under the Abbey Road Institute Basic Configuration, you will need to lease an acceptable space between 400 and 550 square meters (or between 4,305 to 5,920 square feet). Assuming that you have made the appropriate equipment, construction and lease improvement investment, your Institute will be able to cater to a maximum of 50 full-time students. Abbey Road Institutes are usually in stand-alone commercial buildings or building complexes with offices and/or production areas located in downtown or suburban areas that are possible for conducting a successful business. Your Institute Location should be conveniently located near public transportation and have adequate parking spaces for students and staff. Abbey Road Institutes should not be located (i) near highways, airports or railways; (ii) in the flight path

of airlines; (iii) above subway tunnels; (iv) near the edge of a river, ocean or sea; or (v) underneath subway tracks as the movement of trains and airplanes will cause the building structure of your Abbey Road Institute to vibrate. Since you will have already secured your Institute Location prior to purchasing your license, then you are not expected to incur any additional rental expenses.

[4] We will provide you with a sample layout for the interior of a prototype Institute and a set of typical preliminary plans and specifications for, and approved sources of supply of, your Institute's furniture, fixtures, signs and/or other trade dress elements. You may already have an appropriate Location, or your cost of construction or leasehold improvement for your Abbey Road Institute may be minimal. The cost of construction or leasehold improvements will vary depending on your construction and renovation costs and how many of those costs the landlord will pay (if any). You must submit to us for our prior written approval, which approval we will not unreasonably withhold, a layout for the interior of, and a set of preliminary plans for, your Abbey Road Institute. You must employ architects, designers, engineers or others as necessary to complete, adapt, modify or substitute the layout and plans for the Abbey Road Institute, including any changes required by the landlord. Typically, you and the contractor you employ will negotiate a payment schedule. Generally, the landlord provides the space with demolition complete, exterior walls drywalled; an acoustical drop ceiling; working HVAC; and plumbing and electrical service to the space, or an equivalent amount of free rent to offset these costs. The facility for your Abbey Road Institute should have adequate power and sufficient electrical outlets for your Institute's exclusive use. Ideally, the facility for your Institute will have partially furnished office space and an entry area where you can display signage and advertisements The contractor will install the leasehold improvements. Except for modifications that we require, you may not modify the design, plans or signage of your Abbey Road Institute at any time without our advance written permission.

[5] These figures represent the purchase of the technical equipment that you will use to operate and deliver the courses offered at your Abbey Road Institute, which includes, without limitation: student computer workstations, mixing consoles, microphone, loudspeakers, musical instrument, dynamic and signal hardware processors, DAW (digital audio workstations), other music production software and plug-ins, wired and/or wireless Internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment (the "Computer and Point of Sale System"). You must obtain high-speed communications access for your Computer and Point of Sale System, such as broadband or other high-speed capacity. You must also maintain a functioning e-mail address for your Business and such wi-fi service for your customers as we may designate in the Brand Standards. See Item 11.

[6] Before opening your Abbey Road Institute, you must purchase an initial inventory of products and supplies from designated or approved suppliers.

[7] You are responsible for obtaining and maintaining all required permits and licenses necessary to operate the Institute and Business (including, without limitation, business permits, zoning compliances and certifications/permits issued by local education licensing authorities). The cost range reflected in the table is an estimate of the expenses that you may incur in securing the permits and licenses needed to establish and commence operating your Institute. We and our affiliates have licensed Institutes in various countries, where the costs to secure permits and licenses vary greatly from jurisdiction to jurisdiction. As such, the actual costs that you may incur in securing the licenses and permits necessary to establish your Institute and commence operations may differ the estimate in the table.

[8] This estimate is for the cost of the annual premium to obtain the minimum required insurance as discussed in Item 8 of this disclosure document. The cost of coverage will vary based upon the area in which your Business will be located, your experience with the insurance carrier, the loss experience of the carrier, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our stated minimums.

[9] These fees are representative of the costs for engagement of professionals for the start-up of an Abbey Road Institute Business. We strongly recommend that you seek the assistance of attorneys and accountants for the initial review and resulting advisories concerning this franchise opportunity, this disclosure document, and subsequently, the License Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as a part of starting your Business. It is best to ask your professional advisors for a fee schedule before engaging them to perform any services on your behalf.

[10] You will need to purchase signs for your Institute. All signage must be in compliance with our standards and specifications and your local building and other codes. The costs of the signs will depend on location, type and size of sign.

[11] In the six (6) months before the scheduled opening of the licensed Business, you must spend at least five percent (5%) of the projected revenue as provided by you to us based on your own independent analysis, as further described below) of your licensed Institute's first year of operations in a marketing and recruitment campaign to procure students for your Institute, and to organize a series of events in connection with same, including a grand opening event. This is an estimate of the expenses that you may incur in conducting your Pre-Launch Marketing and Recruitment Campaign.

[12] This is an estimate of the additional funds you may need to operate your business during the first three months after you open your Business. We cannot guarantee that you will not have additional expenses in starting the Business. The estimate includes such items as initial payroll taxes, ongoing Student Royalties, Advisory Fees, professional and accounting fees, additional advertising, insurance, health insurance and workers' compensation, rent, repairs and maintenance, bank charges (including interest), miscellaneous supplies and equipment, initial staff recruiting expenses, state tax and license fees, depreciation and amortization, deposits and prepaid expenses (if applicable) and other unforeseen miscellaneous items. The expenses you incur during the initial start-up period will depend on factors such as the time of year you open, local economic and market conditions, your experience and business acumen, competition, and the sales level you reach during this initial period. Additional operating expenses will be incurred in connection with the ongoing operation of your Business.

[13] In compiling these estimates, we relied on information we derived through our own independent research and, in part, on information provided by our other licensees located abroad. Your costs may vary based on a number of factors including, but not limited to, the geographic area in which you open, local market conditions, the time it takes to build sales of the establishment, and your skills at operating a business. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing to licensees either directly or indirectly in connection with their initial investment requirements. The availability and terms of financing obtained from third parties will depend upon such factors as the availability of financing, your creditworthiness, collateral that you may make available, and the policies of local lending institutions.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may, upon our prior written consent, offer and sell all or any subset of the programs, Courses, products and services which are part of the System and all or any subset of the other programs, Courses, products and services which we in the future incorporate into the System unless, as to any one or more items, sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, Courses, products, or services. Notwithstanding the foregoing, you must (during each academic semester) offer and sell our Advanced Diploma in Music Production and Sound Engineering.

You may not sell any program, Course, product or service which is not a part of the System or which we delete from the System unless we agree in writing otherwise in each instance. In addition, you must at all times refrain from offering and/or selling any products, Courses, services and/or programs that we designate as prohibited. If you wish to purchase or license from a third-party intellectual property rights or rights to other training courses that are not part of the System, you must first obtain our written consent which we may withhold in our business judgment. If we approve your request to purchase or license from a third-party intellectual property rights or rights to other training programs, then you may offer those courses under the Proprietary Marks at your Institute on such terms (in writing) as we consider appropriate in our business judgment. You must permanently and irrevocably assign to us, in perpetuity throughout the world, any intellectual property developed or acquired (and thereby exclusively owned by you) when you purchase or license such third-party intellectual property rights or training courses as set forth in the License Agreement. If the intellectual property or training courses that we permit you to purchase or license from a third-party is not exclusively owned by you, then you must negotiate with the third-party in good faith our right to exploit such intellectual property rights and/or training courses. We have the right to specify the number of Courses that you may or must offer each year, as well as the number of students that may or must enroll in each course. Throughout the term of the License Agreement, (a) you must offer, at a minimum, the required Courses listed in the License Agreement unless we provide our written consent otherwise; (b) you must proceed with at least two (2) intakes of each Main Course per calendar year at your licensed Institute; (c) you must have at least five (5) registered students in order to commence each Main Course intake; (d) you must use your best efforts to reach the maximum number of adequately qualified (based on factors such as ability pay Course fees, experience, skill level, base knowledge, ability and potential) Main Course participants for each of these intakes; and (e) you must progressively and continuously increase, on a yearly basis, the number of Course participants (students) in each Main Course intake of your licensed Institute; with the understanding that you must meet the agreed upon student maximum for your Institute by the end of the Institute's fifth (5^{th}) year of operations.

You must maintain in sufficient supply products, materials, supplies and paper goods as conform to our then-current written standards and specifications (as set forth in the Brand Standards or otherwise) and must refrain from deviating therefrom by the use of any non-conforming items without our prior written consent. Your Institute must perform all programs, Courses and services utilizing such standards, procedures and techniques as we specify and must refrain from any deviation from our standards and specifications without our prior written consent.

You must purchase or lease any proprietary and/or private label branded programs, products, systems, methods, platforms, supplies, equipment, materials or services used in conjunction with, offered or sold at the Institute which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our affiliates, only from us, an affiliate of ours that we designate or an independent distributor whom we authorize. We (or our affiliates or designees) will sell to you all proprietary products under terms we develop and advise you of from time to time. We reserve the right to earn a profit on the sale of proprietary products to you.

You must purchase certain required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services, and comply with all specifications for same, from suppliers we designate in writing; from suppliers you propose and we approve; and/or, in accordance with our written specifications. Such standards and specifications may be specific as to brand name, item/model/catalog number, preparation or manufacturing facility, or other factors we consider relevant.

We may, in the exercise of our business judgment, enter into supply contracts either for all Institutes or a subset of Institutes situated within one or more geographic regions (each, a "systemwide supply contract"). We may enter in such systemwide supply contracts with one or more vendors for programs, products, supplies, equipment, materials and services that all company-owned and licensed Institutes in the United States, or company-owned and licensed Institutes in a designated geographic area, will be required to participate in, purchase from, use and/or sell. If we do so, then immediately upon notification, you, we and all other Institutes (or, as applicable, those in the designated geographic area) must, as applicable, purchase from, participate in, use and/or sell the specified program, product, supply, equipment, material or service only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the item in question, then your obligation to purchase from our designated supplier under the systemwide supply contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract.

There are no products for which we or our affiliates are currently an approved supplier; however, we reserve the right to, from time to time, designate products that must be purchased from us or our affiliates. No officer of ours owns any interest in an approved supplier.

During the 2020 fiscal year, we did not derive any revenue from required purchases or leases by our licensees.

You must purchase, utilize, maintain, retire, upgrade and replace the technology serving your licensed Business, including your Computer and Point of Sale System, and as and when we require in the Brand Standards or otherwise in writing. We or our affiliates do not currently have proprietary computer software that we require you to use. If we or our affiliates develop proprietary computer software and/or designate a mandatory Computer and Point of Sale System in the future, you will be required to purchase same from us or from any such third-party supplier we designate at our then-current cost, pay our then-current software support fees associated therewith, use such software, and execute any standard form software license agreement reasonably necessary to do so. You pay for any future updates or revisions. We do not expect to increase our fees for updates and revisions beyond inflation in the applicable industry segment unless our costs increase due to shortages, catastrophes, strikes, Acts of God, etc. See Items 7 and 11.

We will provide you with specifications governing the minimum standards of certain products, services or equipment you procure from unrelated third parties in our Brand Standards or in other written notices we transmit to you. We may modify our specifications in writing, and may add new specifications in writing. You may purchase these items from any supplier whose product, service or equipment meets our specifications.

We issue and modify specifications in writing, through our Brand Standards or other written notices to licensees.

We do not maintain written criteria for approving suppliers, and thus these criteria are not available to you or your proposed supplier. If we name a supplier for a product or service, you may contract with an alternative supplier if you meet our criteria. To obtain our written approval for the alternative supplier:

- You must submit a written request to us for approval of the supplier and then furnish us with the information, data and samples that we reasonably request.
- The supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications.
- The supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish you (and other Institutes) with the subject program, product, supply, equipment, material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion.
- We may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs.
- If we elect to evaluate the proposed supplier, you agree to reimburse us for any and all costs and expenses we incur in connection with such evaluation.

We do not expect that there will be products or services that require us to conduct testing; however, if we do, we may test, at your expense, the product or service of any supplier you propose, whether or not the supplier is then approved by us. If we test the product or service, you and/or your supplier must reimburse us for all costs and expenses we incur in connection with any testing, including all travel and lodging expenses. If we revoke approval of any supplier, we will give you written notice (in our Brand Standards or otherwise).

We currently negotiate certain purchase arrangements with suppliers for the benefit of licensees; however, licensees are not required to utilize the products or services of such suppliers. There are no purchasing or distribution cooperatives. We provide you with no material benefits (such as granting additional franchises) based on your use of designated or approved sources. We and our affiliates currently receive no payments or rebates from any supplier, nor do we or our affiliates currently receive any special discount on purchases from any supplier for ourselves or themselves, in connection with purchases from our licensees; however, we or our affiliates may receive such payments, rebates and/or special discounts from suppliers in the future.

You must purchase and maintain in effect at all times the following categories of insurance coverage in forms and through insurance companies satisfactory to us: (1) Broad form comprehensive general liability coverage, and broad form contractual liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, property damage and product liability. This insurance may not have a deductible or self-insured retention of more than $5,000; (2) Fire and Extended Coverage Insurance on your Institute and property in an amount adequate to replace after an insured loss; (3) Business Interruption Insurance in sufficient amounts to cover your Institute's rental expenses, maintenance of competent personnel and other fixed expenses for a minimum of 120 days; (4) If any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) $1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of $2,000,000, along with a minimum limit of $3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident; (5) Worker's Compensation, Employer's Liability Insurance and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than

$1,000,000 for employer’s liability insurance); (6) In connection with the construction, refurbishment, renovation, remodeling or upgrading of your licensed Institute, builders’ and/or contractor’s insurance and performance and completion bonds in forms and amounts acceptable to us; and, (7) Insurance coverage of types, nature and scope sufficient to satisfy your indemnification obligations under the License Agreement;.

We estimate that the required purchases described above are 40% to 41% of the cost to establish a licensed Business and approximately 90% to 95% of operating expenses.

ITEM 9 LICENSEE'S OBLIGATIONS

These tables list your principal obligations under the License Agreement and other agreements. They will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

License Agreement

Obligation		Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Article 7 of License Agreement, Exhibit C	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 7.02 and 9.08 of License Agreement	Items 6, 7, 8 and 11
c.	Site development and other pre-opening requirements	Article 7 of License Agreement	Not Applicable
d.	Initial and ongoing training	Sections 8.02 - 8.05 of License Agreement	Item 11
e.	Opening	Section 9.01 of License Agreement	Item 11
f.	Fees	Article 5, Sections 14.01 and 15.04 of License Agreement	Items 5 and 6
g.	Compliance with standards and policies/Brand Standards	Section 8.01 and Articles 9 - 11 of License Agreement	Items 7, 8, 11, 15 and 16
h.	Proprietary Marks and proprietary information	Articles 13, 16 and 19 of License Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Sections 3.03 and 9.08 of License Agreement	Item 16
j.	Warranty and customer service requirements	Section 9.26 of License Agreement	Item 16
k.	Territorial development and sales quotas	Section 7.01, 7.02 and 12.03 of License Agreement	Item 12
l.	Ongoing product/service purchases	Section 9.08 of License Agreement	Items 6 and 8

Obligation		Section in Agreement	Disclosure Document Item
m.	Maintenance, appearance and remodeling requirements	Sections 7.05, 14.01 and 15.04 of License Agreement	Item 11
n.	Insurance	Article 10 of License Agreement	Item 6
o.	Advertising	Article 11 of License Agreement	Item 11
p.	Indemnification	Section 9.10 of License Agreement	Item 6
q.	Owner's participation/ management/staffing	Sections 9.06 and 9.18 of License Agreement	Item 15
r.	Records and reports	Article 12, Sections 5.05 and 8.06 of License Agreement	Item 6
s.	Inspections and audits	Sections 9.11 and12.02 of License Agreement	Item 6
t.	Transfer	Article 15 of License Agreement	Item 17
u.	Renewal	Article 14 and Section 4.02 of License Agreement	Item 17
v.	Post-termination obligations	Article 19 of License Agreement	Item 17
w.	Non-competition covenants	Article 13 of License Agreement	Item 17
x.	Dispute resolution	Articles 23-26, 31-32 and 34-35 of License Agreement	Item 17
y.	Other: Guarantee	Section 32.02 of License Agreement and Exhibit G	Item 15

ITEM 10 FINANCING

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

ITEM 11 LICENSOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

License Agreement

Before you open your Abbey Road Institute, we will:

(1) Approve or disapprove a site selected and proposed by you for your Location. We do not currently own sites for leasing to licensees but reserve the right to do so in the future. (License Agreement, Section 7.01) If you and we cannot agree upon a Location within four (4) months following the date we sign the License Agreement, then either we can terminate the License Agreement. If we do so, we will refund to you seventy-five percent (75%) of the

Initial License Fee (minus our expenses) on condition that you immediately execute a General Release in the form of Exhibit H to the License Agreement.

We may require you to submit maps, completed checklists, photographs, copies of proposed leases, diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate your proposed Location. We may visit your proposed Location but the License Agreement does not require us to do so.

We consider the following factors in approving sites: the market potential and estimated volume of your Business; the general location and neighborhood and nearness to customers; site visibility; traffic patterns; co-tenant attractiveness; size of the space; age and condition of the building; the location and convenience of entrances; the availability of parking; the availability of locations and necessary zoning; the location of competitors; expected overhead; lease terms; and, traffic patterns.

(2) Approve or disapprove the lease or purchase agreement for the Location within 20 business days after we receive it. If we do not communicate our approval or disapproval to you in that time, and if the Lease is accompanied by a rider containing the required provisions specified in Exhibit C to the License Agreement, the agreement shall be approved. If you fail to sign a lease approved by us (or provide proof of ownership or an executed contract of sale) for your Location within four (4) months following the date we sign the License Agreement, then we can terminate the License Agreement, and if we do so, then we will refund to you seventy-five percent (75%) of the Initial License Fee (minus our expenses) on condition that you immediately execute a General Release in the form of Exhibit H to the License Agreement. (License Agreement, Section 7.02)

(3) Review, and/or cause our designees to review, your final plans and specifications for the Institute promptly and approve or provide comments on the plans and specifications to you. You may not commence construction of the Institute until we approve the final plans and specifications in writing. We may provide you with the names of designated or approved suppliers and specifications for some items of the design, construction, furniture, fixtures, equipment and decoration of the Institute. (License Agreement, Section 7.03 and 7.04)

(4) Specify the electronic and/or written accounting and management information system, procedures, formats and reporting requirements which you will use to account for your Institute Business; maintain your financial records and Institute data; and, generate reports for both you and us. (License Agreement, Section 8.06)

(5) Provide you with any and all now and hereafter developed printed or electronic manuals, a private data storage site accessible via internet; electronic media; online postings; e-mail and/or other electronic communications; one or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS, USB drives or other data storage devices; computer software; facsimiles; or, any other now or hereafter developed medium capable of conveying our operating standards, systems, procedures, policies, methods, standards, specifications and requirements for operating your Business (the "Brand Standards"). You must strictly comply with the Brand Standards in operating your Business. We can change the Brand Standards, and you must comply with these changes when you receive them, but they will not materially alter your rights and obligations under the License Agreement. (License Agreement, Section 8.01)

As of the date of this disclosure document, our Brand Standards are memorialized electronically and cover the topics listed in the table below.

TOPIC	PAGES
Introduction	19
Pre-opening Timetable	21
Premises Setup	56
Human Resources	81
Facility Management	14
Academic Management	59
Student Administration	15
New Course Proposal Procedure	4
Marketing and Sales	118
Reporting and Communication to ARI Global	57
Appendices	1
TOTAL PAGES	445

(6) Furnish you with any written specifications for required products and services. (License Agreement, Section 9.08)

(7) Directly or indirectly sell you our proprietary and/or private label branded programs, products, systems, methods, platforms, supplies, equipment, materials or services which now comprise or in the future may comprise, a part of the System. (License Agreement, Section 9.08)

(8) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. (License Agreement, Section 11.01)

(9) If we determine to do so, exercise rights concerning licensee pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, for example prescribing the minimum prices which you may charge customers; recommending the prices you charge customers; advertising specific prices for some or all products, Courses, programs or services sold by your Institute, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your prices; and, otherwise mandating, directly or indirectly, the minimum prices which your Institute may charge the public. We may, in our business judgment, do so only in certain geographic areas (cities, states, regions) and not others; with respect to certain types of Institutes but not others; or with regard to certain groups of licensees and not others. Any minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your licensed Business. (License Agreement, Section 8.07)

Obligations After Opening

During the operation of your Institute, we will:

(1) Furnish you with the field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for

consultation and guidance with respect to the operation and management of your Business. The timing of these services will be subject to the availability of our personnel. (See License Agreement, Section 8.05)

(2) Provide standard electronic and/or written accounting and management information system procedures, formats and reporting requirements which you will utilize to account for your licensed Business; maintain your financial records and Institute data; and, generate reports for both you and us . (License Agreement, Section 8.06)

(3) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. (License Agreement, Section 11.01)

(4) Furnish you with any specifications for required products and services. (License Agreement, Section 9.08)

(5) Directly or indirectly through our affiliate, sell you our proprietary products. (License Agreement, Section 9.08)

(6) Continue, if we determine to do so, to engage in the pricing activities described above in this Item 11. (License Agreement, Section 8.07)

Advertising

Advertising Cooperatives

There are no advertising cooperatives. The License Agreement does not give us the power to require advertising cooperatives to be formed, changed, dissolved or merged.

Advertising Council

There is no advertising council composed of licensees. However, we reserve the right to form, change, or dissolve a licensee advertising council.

Pre-Launch Marketing and Recruitment Campaign and Local Advertising

Unless we otherwise agree in writing, in the six (6) months before the scheduled opening of the licensed Business, you must spend at least five percent (5%) of the projected revenue as provided by you to us based on your own independent analysis, as further described below) of your licensed Institute's first year of operations in a marketing and recruitment campaign to procure students for your Institute, and to organize a series of events in connection with same, including a grand opening event (the "Pre-Launch Marketing and Recruitment Campaign"). You must conduct your Pre-Launch Marketing and Recruitment Campaign in accordance with our Brand Standards.. You must make these Pre-Launch Marketing and Recruitment Campaign expenditures using the advertising material, media, special events and other public relations activities that we require or approve, in our Brand Standards or otherwise.

After that, you are required to conduct local advertising and promotion of your Abbey Road Institute in your Territory in accordance with the following minimum annual expenditure requirements: (i) during the first year of operations of your Institute, a minimum of fifteen percent (15%) of your Business' Gross Revenues; (ii) during the second and third year of operations, a minimum of twelve percent (12%) of your Business' Gross Revenues; (iii) during the fourth year of operations, a minimum of ten percent (10%) of your Business' Gross Revenues; and, during the fifth year of operations and continuing through the remainder of the Initial Term, a minimum of eight percent (8%) of your Business' Gross Revenues. For purposes of the above, to determine your forecasted Gross Revenues for your first year of operations, you agree (within thirty (30) days following the execution of this Agreement) to furnish us with a projection of the Gross Revenues you estimate that your Business will generate during its first year of operations (the "Year 1 Forecasted Gross

Revenues"). You acknowledge, understand and expressly agree that we will use your Year 1 Forecasted Gross Revenues (whether or not realized) to calculate the minimum annual expenditures that you must spend on the required local advertising and promotion you must conduct, and you agree to expend, 15% of your Year 1 Forecasted Gross Revenues on local advertising and promotion for your licensed Business. We may require you to submit proof of your expenditures in connection with your Pre-Launch Marketing and Recruitment Campaign and all local advertising.

Joint International/National Advertising Campaign

If you wish to conduct an international or national advertising campaign promoting your Institute, you must obtain our prior written consent, which we may withhold in our business judgment. If we permit you to conduct an international and/or national advertising campaign, you must contact our other U.S. based licensees and extend an invitation to such licensees to participate in your international and/or national advertising campaign. The U.S. licensees will be required to respond to your invitation within five (5) business days from receipt of your invitation. For each licensee who agrees to participate in your international/national advertising campaign, you must (i) include the address, phone number, email address and website of such licensee and (ii) display each licensee's Institute in the advertising campaign with an equal level of importance to your Institute. Each participating licensee will be required to pay an equal share of the costs of procuring, placing and paying for the joint international and/or national advertising campaign. You must submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we have furnished to you under this Agreement or advertising you have previously submitted and we have approved) in connection with your joint international/national advertising campaign. Our approval of any of your proposed advertising may be withheld for any or no reason.

Business Directory Advertising

We reserve the right to require you, upon written notice from us, to list your Business in all free or paid print and/or electronic alphabetic directories (such as "White Pages") and continually in all print and/or electronic classified directories (collectively and including "White Pages," the "Business Directories"), including but not limited to Yelp, Google Maps and similar third-party business directories, serving the geographic area in which your Institute is located under headings designated by us. We may annually furnish you with demographic information and recommendations regarding which Business Directory(ies) in the geographic area in which your Institute is located you should advertise in for the coming year. If we do so, you must procure, place and pay for all of your White Pages advertising and any Business Directories advertising we may require. We may specify the size, style and content of your Business Directories advertising and may require you to utilize the services of a classified telephone directory advertising or placement agency we designate. In lieu of individualized Business Directories advertising for your licensed Business, we may instead require you and all other Businesses situated within a geographic area served by one or more Business Directories print or electronic directories (including Businesses owned or franchised or licensed by us or our affiliates) collectively to prepare, place and equally share in the cost of combined Business Directories advertisements featuring, and treating identically, all such Businesses. Any expenditure you make for White Pages or Business Directories advertising will be in addition to, and not included in, those sums which the License Agreement requires you to expend for local advertising and promotion. Additionally, we may require you to retain the services of a search engine optimization ("SEO") company to improve your website's visibility to search engines and their users. If we do so, you must use your best efforts to retain a reputable SEO company to enhancing your website's visibility and drive traffic to your website, at your expense.

Other Advertising Information

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your geographic area. We may advertise using print, radio and television, with local, regional and national coverage. We may employ both an in-house advertising department and national or regional advertising agencies.

You may develop advertising materials for your own use, at your own cost. As stated above, we must approve these advertising materials in advance and in writing, but if we do not respond within ten business days after receiving your proposed advertising material, the material is disapproved.

Web Sites/Social Media

We will design a website / subdomain, for the promotion of your licensed Business that will be accessible through one or more uniform resource locators ("URL's"). In our business judgment, we may own and we reserve the right to exercise controls over such website / subdomain in the event of your mishandling of such website / subdomain. The website / subdomain for your Institute will include information we or our affiliate may populate from our corporate website as well as template pages that you must customize to reflect the information specific to your Institute (such as, the Institute's address, contact information, curriculum, staff members, teachers, etc.). Throughout the Initial Term and any Successor Term, you must maintain the website / subdomain for your Institute, updating when necessary, any information that may be out of date, and regularly uploading photos and creating relevant and high quality blog, video and audio content. Your customization and maintenance of your Institute's website must be conducted in strict accordance with our Brand Standards. Any websites or other modes of electric commerce that we design, establish or maintain (including the website or webpage for your Institute) may – in addition to advertising and promoting the programs, products, Courses or services available at your Institute – also be devoted in part to offering Business licenses for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve in Section 3.03 of the License Agreement.

If you wish to create a social media page or profile for your Institute on a social media platform such as Facebook, Snapchat, Instagram, TikTok or Twitter, you must first obtain our prior written consent (which we may withhold in our business judgment). If we approve your request to create a social media page or profile for your Institute on a specific social media platform, that our consent is limited to that particular social media platform and is subject to our ongoing right to withdraw our consent. Our consent for you to create a social media page or profile is not a blanket authorization for you to create a page or profile on any social media platform. You must obtain our prior written consent for each social media platform that you wish to create a page or profile to promote your Institute. Any content posted to any such approved page or profile must strictly comply with our Brand Standards and social media policy, and you must immediately remove any content that we, in our business judgment, deem to be in violation of our Brand Standards or social media policy. You must, upon our request, provide us with the login id and passwords for each social media page and profile that you create to promote your Institute. We will have the right to use such login credentials to remove any content that we requested that you delete but which you failed to remove.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Abbey Road Institute website / subdomain (including, the website / subdomain for your Institute) and any social media page(s) we or you establish and maintain regarding Abbey Road Institute, including any and all material you may post as provided above. We will also be the sole owner of the copyrights to all material which appear on any social media page or profile that you create for your Institute. Ownership of the (i) URL (uniform resource locator) and other identifiers associated with any such web site and (ii) handle, vanity URL or other identifiers associated with any social media page or profile you create and maintain for your Institute shall vest exclusively in us. You must permanently and irrevocably assign to us, in perpetuity throughout the world, any and all rights and interests to such social media pages and profiles upon our request.

We may establish an intranet through which downloads of operations and marketing materials, exchanges of licensee e-mail or other electronic messages, System discussion forums and systemwide communications (among other activities) can be effected.

Computer and Point of Sale System

Before the commencement of operation of the licensed Business, you must purchase the required computer hardware, software, audio/studio recording equipment (and other specialist equipment), wired and/or wireless Internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment (the "Computer and Point of Sale System"). Your Computer and Point of Sale System will also include the hardware you are required to purchase for your student and studio computer workstations, which shall each have an estimated life span of at least seven (7) to eight (8) years. See Item 7 for the cost of the Computer and Point of Sale System. You must obtain high-speed communications access for your Computer and Point of Sale System, such as broadband or other high-speed capacity. You must also maintain a functioning e-mail address for your Business.

You must provide all assistance we require to bring your Computer and Point of Sale System on-line with our headquarters computer at the earliest possible time and to maintain this connection as we require. You must input and maintain in your Computer and Point of Sale System all data and information which we prescribe in our Brand Standards, in our proprietary software and manuals, and otherwise. We will have independent, direct and real-time access to your Computer and Point of Sale System and we may retrieve from your Computer and Point of Sale System all information that we consider necessary, desirable or appropriate. We will bear the telephone costs of this information retrieval. You must accurately, consistently and completely record, structure, capture and provide through the Computer and Point of Sale System all information concerning the operation of the licensed Business that we require, in the form and at the intervals that we require (including, without limitation, a record of all transactions of any kind – including cash and/or cash equivalent transactions).

You must use proprietary software and software support services that, in the future, either we develop and provide or which are provided on our behalf by a third party supplier we designate, and you must execute any standard form software license agreement reasonably necessary to do so.

You must also purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them systemwide, at the prices and on the terms that we or such third party vendor establish, but you will not be required to do so more than once in any calendar year. If we or our affiliate(s) license software to you, you must execute our form of Software License Agreement. (License Agreement, Section 9.08)

The following is a general description of our Computer and Point of Sale System (which includes equipment that you will need to operate and deliver the courses offered at your Abbey Road Institute): mixing consoles, microphone, loudspeakers, musical instrument, dynamic and signal hardware processors, DAW (digital audio workstations), other music production software and plug-ins, wired and/or wireless Internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment. The Computer and Point of Sale System will approximately range between $430,000 - $600,000.

You must keep your Computer and Point of Sale System (including, your student and recording studio computer workstations) and any other technology systems current, supported and in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. If we run tests and determine that the installation will benefit you and us, you must install (at your own expense) whatever additions, changes, substitutions and replacements to your computer hardware, software, telephone and power lines, etc. we direct. You must install these items when we direct. You will pay for these items at the time and upon the terms that the sellers specify. There is no contractual limit on our ability to require you to upgrade the system, add components to the system and replace components of the system.

We may require you at your expense to purchase, install and utilize at your licensed Business and Institute any newly developed or modified modes of computerization, hardware, software, equipment, accessories, facilities, capabilities, communication, media and/or interfaces as we, in our sole business judgment, determine to incorporate into the System. If we do, you must do so at such time and in such manner as we designate, in our Brand Standards or other written notices. You may be required to purchase such newly developed modes of computerization, as well as improvements to or modifications of your computer and point-of-sale systems, from us or our affiliates and, in connection therewith, enter into related license and support agreements requiring you to pay us and/or our affiliates standard support and maintenance fees.

Training

After you obtain your Institute Location and at least 90 days before the opening of your Institute, we, our affiliate or designee will provide our Initial Training Program to you (if an individual) and your Key Personnel (including, without limitation, your Institute Manager, Academic Directors, marketing and sales managers and lead technician). We will determine the date of commencement, location, duration and schedule of the Initial Training Program and notify you of them. The following is description of our Initial Training Program as of the date of issuance of this disclosure document:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Introduction to Abbey Road Institute and Abbey Road Brand	2	0	London, UK
Sales Training	4	0	London, UK
Social Media Training	2	0	London, UK
Web Training	2	0	London, UK
Student Recruitment Events	2	0	London, UK
SEO/Blog Management	1	0	London, UK
Newsletters Management	1	0	London, UK
Marketing Reporting Procedures	1	0	London, UK
ROI Tracker Training	1	0	London, UK
Human Resources	1	0	London, UK

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Reporting Tools and Procedures	2	0	London, UK
Student Application and Selection Process	2	0	London, UK
Student Administration	1	0	London, UK
Facilities Management	1	0	London, UK
The Abbey Road Institute Curriculum	4	0	London, UK
Virtual Learning Environment	1	0	London, UK
Academic Coordination Management and Procedures	2	0	London, UK

We conduct the Initial Training as often as we (in our sole discretion) deem necessary at our headquarters offices in London, United Kingdom and at an Abbey Road Institute in London, United Kingdom. We reserve the right to furnish our Initial Training Program by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media). The instructional materials consist of our Brand Standards and other training related media, such as PowerPoint/Keynote presentations, audio and video. The minimum experience of the instructors in the field relevant to the subject taught is 5 years, and relevant to our operations is 3 years.

The Initial Training Program is mandatory for you (if an individual), Key Personnel (including, without limitation, your Institute Manager, Academic Directors, marketing and sales managers and lead technician) (collectively, the “Trainees”). The Initial Training Program is provided at no expense to the Trainees; however, you must pay the transportation costs, meals, lodging and other living expenses incurred in connection with your trainees attending the Initial Training Program.

The Trainees must attend and successfully complete the Initial Training Program to our satisfaction. If any of the Trainees fails to successfully complete the Initial Training Program to our satisfaction, we can terminate the License Agreement. If we reasonably conclude in our business judgment that any of the Trainees require additional training in order to perform their duties according to our standards, then we may request and require that you make such Trainee(s) available for additional training at no additional charge. If, after the Initial Training Program, we conclude in our business judgment that any of the Trainees have failed to reach a level of competence necessary to perform their duties, then we may request and require that you appoint an alternative candidate to replace that Trainee.

Any Trainees that you appoint after the opening of your Institute must attend and successfully complete our next scheduled Initial Training Program at no additional charge to you. However, you must pay the transportation costs, meals, lodging and other living expenses incurred in connection with your additional or replacement trainees attending the Initial Training Program.

See Item 6 for information about charges for training additional or subsequent trainees.

We may from time to time develop additional training programs which your Trainees must attend and successfully complete. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media). You agree to pay all of the expenses incurred by your Trainees in connection with any additional training programs we develop, including their salaries, travel costs, meals, lodging and other living expenses.

In addition, we may require your Institute Manager and Academic Director to attend our graduation ceremony in London, England to collect the diplomas for the students who completed Courses at your Institute. While in London attending our graduation ceremony, we may require your Institute Manager and Academic Director to attend meetings and training sessions that we schedule. If we require your Institute Manager and/or Academic Director to attend our graduation ceremony and System meetings, you shall be responsible for such attendee's per diem salary, travel, lodging, food and other living expenses. You (if you are an individual) and other members of your Key Personnel may attend our ceremony but are not required to do so. If you elect to attend or send other members of your Key Personnel to attend our graduation ceremony, you will also be responsible for such additional attendee(s)' per diem salary, travel, lodging, food and other living expenses.

You must pay all the expenses incurred by your trainees or attendees in connection with the Initial Training Program and any other trainings or other meetings your Trainees attend, including, for example, their salaries, transportation costs, meals, lodging and other living expenses. (License Agreement, Section 8.02) All such training will be provided in English and you will be required to pay for the cost of an interpreter, should one be required.

After you open your Institute, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Institute. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

Time to Open

Unless we otherwise agree, you must open your Institute within one year after we sign your License Agreement. We estimate that the typical length of time between the signing of the License Agreement and the opening of your Institute will range from nine (9) to twelve (12) months, but it may take you longer to open your Institute. Factors affecting time include attendance at and satisfactory completion of our Initial Training Program, obtaining a satisfactory Institute site, arranging for any financing, the proximity between the time the License Agreement is signed and the start of the next school year, complying with local ordinances, completing delivery, staff recruitment, installation of equipment and signs and procuring opening inventory.

ITEM 12 TERRITORY

You will not receive an exclusive territory. You may face competition from other channels of distribution that we reserve the right to pursue or competitive brands that we control, as described below. If you have a Successor License Agreement, during that successor term you may also face competition from other licensees and from outlets that we own, depending on the outcome of the right of first refusal process, as described below.

You may operate your Institute from only one location, which you select and we approve (the "Location"). You may also use the Location to operate, a commercial recording studio; so long as the operation of your recording studio does not negatively impact the operation or facilities of your Institute. We will grant you a geographic area surrounding your Location (the "Territory"). The minimum Territory we grant will consist of a 200 mile radius from downtown Los Angeles, California. We will describe your Location and Territory in detail in Exhibit A to your License Agreement.

You may not relocate the Institute without our previous written approval. You must reimburse us for any reasonable costs we incur in considering your request. We will grant approval if you are in compliance with the License Agreement, you have paid all money owed to us and our affiliates, the proposed location meets our site selection criteria, and you comply with the lease requirements in the License Agreement. We may, if we wish, inspect your proposed new location. Your Business may only offer and sell its programs, Courses, products and services in, at and from your Institute at the Location. Under no circumstance may your Business establish any physical presence outside of the Location at or from which your programs, products or services are sold or furnished. Nor may your Business offer or sell its programs, products or services anywhere, through any means or manner other than your Institute, including alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; "800" or similar toll-free telephone numbers; mail order; catalogs; or, any other distribution channel whatsoever except from your licensed Institute. While you may deliver Courses, at your Institute, to individuals who come to your Institute but who reside outside of your Territory, you may not deliver Courses outside of your Territory. While the License Agreement is in effect, we and our affiliates will not, in your Territory, operate ourselves, or grant franchises to third parties, an Abbey Road Institute of the type licensed hereunder. Notwithstanding the foregoing, we and/or our affiliates may, during any Successor Term and subject to your right of first refusal (as described below), develop and operate or grant a third party the right to develop and operate an additional Institute within your Territory, as further described below. Outside the Territory, we and our affiliates can operate any number of Abbey Road Institutes, and/or authorize others to operate them, at any location, including locations that may be near, but not within, your Territory.

Additional Institute Option

During the Initial Term of the License Agreement, you shall have the option (but not the obligation) to open one or more additional Institutes within your Territory (the "Additional Institute Option") on the terms and conditions set forth in Section 6.01 of the License Agreement. If you accept, you must execute our then-current License Agreement and pay us an Initial License Fee equal to 30% of our then-current Initial License Fee for each additional Institute you elect to develop. The Initial License Fee for each additional Institute is due when you sign the License Agreement for your subject Institute and is not refundable. Your right to exercise the Additional Institute Option is conditioned on: (i) you not being in default of any provision of any License Agreement or any other agreement with us or our affiliates and having substantially complied with all of the terms and conditions of such agreements during their respective terms; (ii) you having satisfied all monetary obligations owes by you to us (and our affiliates and designees of both entities) and timely met those obligations throughout the term of any License Agreement; (iii) you demonstrating, thus far in the Initial Term, growth year-over-year in your number of students at your existing Institute(s) in accordance with the terms of your existing License Agreement(s); and (iv) your average student satisfaction rating, as measured by our surveys and compulsory student reviews following the form and procedures set forth in our Brand Standards, meeting the benchmarks set forth in our Brand Standards. You must exercise your Additional Institute Option in accordance with the procedures set forth in Section 6.01 of the License Agreement. If you fail to exercise your Additional Institute Option prior to the expiration or termination of the Initial Term of your License Agreement, then your Additional Institute Option will expire. If you and we enter into a Successor License Agreement, then you will have a right of first refusal (exercisable during the Successor Term) to establish and open additional Institutes in your Territory on the terms and conditions set forth in Section 6.02 of the License Agreement and described below. If you do not exercise your right of first refusal, then we and/or our affiliates may, during any Successor Term develop and operate or grant a third party the right to develop and operate an additional Institute within your Territory.

Right of First Refusal During Successor Term

The License Agreement confers on you the exclusive right to market in your Territory. No other Abbey Road Institute businesses (whether company-owned, company joint-ventured, franchised, licensed or otherwise) may solicit, service, advertise and offer their products and services to any individual or entity located within your Territory. Notwithstanding the foregoing, if you and we enter into a Successor Agreement you will have a right of first refusal to develop and operate additional Institutes within your Territory. If a third party, qualified (in our business judgment) prospective licensee expresses to us a *bona fide* interest (in our business judgment) to establish and operate an Institute within your Territory in a particular city/municipality that is centered outside a radius of eighty (80) miles from any existing Institute you own in the Territory, then we will notify you of such interest and provide you with a copy of our then-current License Disclosure Document. You will have 15 days from receipt of our notice and then-current License Disclosure Document to exercise your right of first refusal – that is, enter into a License Agreement with us in accordance with the same terms as stated our notice, to establish an Institute in such city/municipality in lieu of our entering into a License Agreement with the above-referenced third party for such city/municipality. If you decline to exercise your right of first refusal, we shall be free to enter into a License Agreement with the above-referenced third party prospective licensee to open and operate an Abbey Road Institute in your Territory. In which case, the third party prospective licensee will have the right to solicit, service, advertise and offer their products and services to any individual or entity located within your Territory.

Except as described above, there is no minimum sales quota; during the term of your License Agreement, there are no circumstances when we can alter your Location or Territory; and you have no options, rights of first refusal or similar rights to acquire additional franchises at any location (although you may apply for the right to operate additional Abbey Road Institutes under separate License Agreements).

Franchisor's Reserved Rights

We and/or our affiliates may engage in any type of business activity within or outside the Territory except as we are restricted as described here. The License Agreement does not confer upon you any right to participate in or benefit from any other concepts or business activities, regardless of whether it is conducted under the Proprietary Marks or not. Our and our affiliates' rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of program, Course, product or service except as restricted by Section 3.02 of the License Agreement. For example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location, including within your Territory, so long as the other business does not sell under the Proprietary Marks the type of programs, Courses, products or services which your Business offers and sells, except as permitted below. You will receive no compensation for these businesses' sales.

Only we and/or our affiliates have the right to sell within and outside your Territory, under the Proprietary Marks, any and all programs, products or services and/or their components (including those used or sold by your licensed Business), whether or not a part of the System, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web; any other form of electronic commerce; television sales (including "infomercials"); online networks; or, any other channel of distribution whatsoever except for an Institute in your Territory. You will receive no compensation for our or our affiliates' sales through alternative distribution channels.

In addition, we and/or our affiliates have the right to sell (directly, or through other licensees or licensees) System products and services at any and all schools, colleges and universities, including any school, college or university situated in your Territory; provided that we limit the programs, Courses, products and services we offer to students currently matriculated in such school, college or university.

We may purchase, merge, acquired, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and we may then operate, franchise or license those other businesses and/or facilities under any names or marks other than (while the License Agreement is in effect) the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be inside or outside of the Territory and immediately proximate to the Location. You will receive no compensation for these activities. Under the terms of the License Agreement, you waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

Regarding restrictions on you soliciting customers outside of your Territory: You must obtain our prior written consent (which we can withhold in our sole business judgment) if you wish to market, offer or sell System products, Courses, programs or services outside of the boundaries of your Territory. If we have consenting to advertising your Institute in a medium or mode directed to the entire United States, its territories and possessions (such as in a nationwide magazine, or in an airline magazine), or directly internationally, you must first contact our other U.S. based licensees and extend an invitation to such licensees to participate in your international and/or national advertising campaign. The U.S. licensees will be required to respond to your invitation within five (5) business days from receipt of your invitation. For each licensee who wishes to participate in your international/national advertising campaign, you must (i) include the address, phone number, email address and website of such licensee and (ii) display each licensee's Institute in the advertising campaign with an equal level of importance to your Institute. Each participating licensee will be required to pay an equal share of the costs of procuring, placing and paying for the joint international and/or national advertising campaign.

We and our affiliates have not established and do not currently intend to establish any other franchises, company-owned outlets or other distribution channels offering similar products or services under a different trademark anywhere in the United States, but we may do so in the future.

ITEM 13 TRADEMARKS

The principal commercial symbol which we will license to you appears on the cover of this disclosure document. "Proprietary Marks" means our symbols, trademarks, service marks, logotypes and trade names.

The table below provides a description of the Proprietary Marks which we may license to you in operating your Institute, which are registered with the United States Patent and Trademark Office.

Principal Federal Registration

Registration Number	Description Of Mark	Principal Or Supplemental Register	Registration Date
5420473	Abbey Road Institute (word mark)	Principal	March 13, 2018
5420474	Abbey Road Institute (logo mark)	Principal	March 13, 2018

Our parent, Abbey Road Limited has licensed us to use the Abbey Road Institute System, trademarks, service marks and other intellectual property and to sublicense them to our licensees in a Cross-License agreement dated as of November 18, 2021.

There are presently no effective determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving any of the above-referenced Proprietary Marks which is relevant to your use. There are no agreements which significantly limit our rights to use or license the Proprietary Marks. Except as stated above, are no infringing uses or superior previous rights known to us that can materially affect your use of the Proprietary Marks in any state in which the Abbey Road Institute is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any of the Proprietary Marks. Any required affidavits have been filed. Any required renewals have been filed.

We (including, for purposes of this paragraph, our parent and/or parent’s licensor) have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Proprietary Marks, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Proprietary Marks. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the License Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the License Agreement.

If you learn that any third party whom you believe is not authorized to use the Proprietary Marks is using the Marks or any variant of the Marks, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You must comply with any instruction by us to modify or discontinue use of any Proprietary Mark or to adopt or use additional or substituted Proprietary Marks. If this happens, we will reimburse you for your documented expenses of complying (such as changing signs, stationery, etc.). Except for reimbursing your documented expenses of complying, we will not be liable to you for any resulting expenses.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We hold no patents and we have no pending patent applications that are material to the franchise.

Copyrights

We have not registered any copyrights with the United States Copyright Office.

We claim copyrights on certain software, forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Brand Standards.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the United States Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. Finally, as of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in this state or in the state in which the Business will be located.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Proprietary Marks described in Item 13 of this disclosure document.

Confidential Information

You may never – during the Initial Term, any Successor Term, or after the License Agreement expires or is terminated – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize.

Under the License Agreement, the following persons must sign our Confidentiality/Non-Competition Agreement (Exhibit E to the License Agreement):

- Before employment or any promotion, your Institute Manager, your Key Personnel and all other senior managerial personnel; and
- If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you.

You must also require and obtain the execution of our Confidentiality Agreement substantially in the form of Exhibit F to the License Agreement from your Academic Director.

Our confidential information will include information, knowledge, trade secrets or know-how used or embraced by the System, the Brand Standards, and many other matters specified in the License Agreement.

You must irrevocably license to us all intellectual property, services, products, equipment, programs, sales, marketing, advertising and promotional programs, campaigns or materials, and sales methods you develop for the Business. We will not be liable to you in any way because of this license.

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

License Agreement

You are not required to participate in the day-to-day operation of the licensed Business; however, you must devote your time, attention and best efforts to honestly and diligently perform your obligations under the License Agreement, all ancillary documents relating to the License Agreement and all other agreements which may now or hereafter be in effect between us (or any affiliate) and you (or any affiliate) and to promote the Institute. If we license you to operate more than one Business, you must devote such amount of your time and attention to the performance of your duties as is necessary for the proper and effective operation of each such Business or Institute.

You must designate a "Institute Manager" to oversee the day-to-day operations of the Institute. If your Institute Manager is not your principal owner, then before designating and engaging the services of the Institute Manager, you must identify such individual to us; however, we need not approve of your Institute Manager. The Institute Manager must attend and successfully complete our Initial Training Program. In addition, the proposed Institute Manager must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your licensed Business in accordance with the criteria set forth in our Brand Standards.

You must also designate an "Academic Director" to oversee the (i) coordination, administration and quality of the Institute's educational program and (ii) quality and professional development of the Institute's teaching personnel. If your Academic Director is not your principal owner, then before designating and engaging the services of the Academic Director, you must identify such individual to us; however, we need not approve of your Academic Director. The Academic Director must attend and successfully complete our Initial Training Program. In addition, the proposed Academic Director must (in accordance with the criteria set forth in our Brand Standards) demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to oversee the (i) coordination, administration and quality of the Institute's educational program and (ii) quality and professional development of the Institute's teaching personnel.

If the licensee is a business entity, neither the Institute Manager nor the Academic Director needs to have any equity interest in the licensee entity.

If you are a business entity, each owner of a 5% or greater interest in you must sign a personal guarantee in the form of Exhibit G to the License Agreement.

ITEM 16 RESTRICTIONS ON WHAT THE LICENSEE MAY SELL

You may, upon our prior written consent, offer and sell all or any subset of the products, Courses, services and programs which are part of the System and all or any subset of the other programs, Courses, products and services which we in the future incorporate into the System unless you are prohibited by local law or regulation from selling a particular product, Course, service or program or we have granted you our advance written approval to exclude a product, Course, service or program. Notwithstanding the foregoing, you must (during each academic semester) offer and sell our Advanced Diploma in Music Production and Sound Engineering. If you would like to offer or sell any product, Course service or program which is not a part of the System or which we delete from the System, then you must seek and obtain our advance written permission. If we grant our advance written approval, then the product, Course, service or program in question will become a part of the System (though we will not be required to, but may, authorize it for sale at one or more other Abbey Road Institutes). We may subsequently revoke our approval. We will own all rights associated with the product, Course, service or program. You will not be entitled to any compensation in connection with it.

Throughout the term of the License Agreement, (a) you must offer, at a minimum, the required Courses listed in the License Agreement unless we provide our written consent otherwise; (b) you must proceed with at least two (2) intakes of each Main Course per calendar year at your licensed Institute; (c) you must have at least five (5) registered students in order to commence each Main Course intake; (d) you must use your best efforts to reach the maximum number of adequately qualified (based on factors such as ability pay Course fees, experience, skill level, base knowledge, ability and potential) Main Course participants for each of these intakes; and (e) you must progressively and continuously increase, on a yearly basis, the number of Course participants (students) in each Main Course intake of your licensed Institute; with the understanding that you must meet the agreed upon student maximum for your Institute by the end of the Institute's fifth (5^{th}) year of operations.

We may add to, delete from or modify the services, products and programs which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes.

In addition to modifications of the System, we may incorporate into the System products, Courses, services or programs which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Institute, along with other Abbey Road Institutes, will be required to offer and sell (collectively, "Cobranding"). This Cobranding may involve changes or additions to the Proprietary Marks, and may require you to modify the building and premises of your Institute and the furnishing, fixtures, equipment, signs and trade dress at your Institute. If you receive written notice of our institution of Cobranding, you must implement the Cobranding at your Institute at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Student Royalties or local advertising expenditure obligations under the License Agreement. The License Agreement does not place any limit on our rights of to require you to make changes for Cobranding. Notwithstanding the foregoing, you are prohibited from entering into any cobranding or sponsorship arrangement with any third parties related to the Business, the Institute and/or the Proprietary Marks, without our prior written consent, which we can withhold for any or no reason.

You may only sell System products, Courses, programs and services at retail from your Institute, and you may not engage in the wholesale sale and/or distribution of any System product, Course, service, or program.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this disclosure document.

License Agreement

Provision	Section in License Agreement	Summary
a. Length of the franchise term	Section 4.01	Term is ten years from the date the Institute opens for business to the general public, unless sooner termination in accordance with the License Agreement.
b. Renewal or extension of the term	Section 4.02, 13.01	You can enter into one Successor License Agreement for a term of ten years if you comply with certain conditions and procedures for a Successor License Agreement.
c. Requirements for you to renew or extend	Section 14.01	a. We are still offering franchises in the area in which your Institute is located. b. Notify us no more than nine months and no less than six months before expiration. c. Throughout the Initial Term and at the time of entering into a Successor License Agreement, you perforemd all of your obligations and been, in our business judgment, in compliance with the License Agreement, the Brand Standards and other agreements between you and us or our affiliates. d. At the time of entering into a Successor License Agreement, you are current on your payment of all monetary obligations to us, our affiliates, your landlord and your material third party suppliers. e. We will have the right to inspect your Institute's equipment and software (including, your student and

Provision	Section in License Agreement	Summary
		studio computer workstations) and require you to upgrade and/or replace such equipment or software before entering into a Successor License Agreement. f. You and/or your Business Manager (as applicable) and any other management and staff we designate must attend and successfully complete any training (whether refresher training or otherwise) that we may reasonably require, at your expense. g. You must pay us a successor term fee of $38,500. h. Throughout the Initial Term and at the time of entering into a Successor License Agreement you must have met the Minimum Performance Standards (as defined in Section 12.03 of the License Agreement) i. You must be able to renew your lease on terms acceptable to you and us, or lease an acceptable new Location, approved by us, without any interruption of business. j. You must sign a General Release in the form of Exhibit I to the License Agreement (but not releasing us from future claims under the Successor License Agreement) (subject to state law). You may be asked to sign a contract with materially different terms and conditions than your original contract, but there will be no Initial License Fee, you will have no further right to any Successor Term, extension or renewal of any sort; and, the Royalty and other fees on entering into a Successor License Agreement will not be greater than the Royalty that we impose at that time on similarly situated licensees entering into Successor License Agreementsyour first License Agreement.
d. Termination by you	Section 18.02, 18.05	a. You may terminate the License Agreement if you and we agree in writing. b. Your failure to pay any Student Royalties, or other money after you receive notice of the default granting an opportunity to cure, will mean that you are willfully and wrongful breaching the License Agreement and that you have decided to reject and terminate the License Agreement and all Agreements between you and us (or our affiliates) related to the License Agreement. These provisions are subject to state law.
e. Termination by us without cause	None.	
f. Termination by us with cause	Article 18	We may terminate only if you default. The License Agreement describes defaults throughout – please read it carefully.
g. "Cause"	Sections 5.02	You have 30 days to cure the default if you do not

Provision	Section in License Agreement	Summary
defined - defaults which can be cured	and 18.03	comply with any lawful License Agreement or Brand Standards provision or requirement or otherwise fail to fulfill the terms of the License Agreement in good faith, except for defaults described in h. below. Examples of curable defaults include: a. You do not pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your Business under any arrangement with us. The cure period for this default will be 5 days after written notice of default. If you do not cure within the shortened cure period, the License Agreement will terminate immediately upon expiration of the 5-day cure period, or any longer period required by applicable law. Notwithstanding the foregoing, we may terminate the License Agreement immediately (without providing you with written notice of default) if any payment you owe to us, our affiliates or any lender which has provided financing to your Business under any arrangement with us is not made within 30 calendar days after its due date. b.You do not submit required reports or make any false statement in connection with any reports or information you submit to us. c.You sell unauthorized services or products. d. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers e. You engage in any business, or market any product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks. f. You do not pay any taxes on your Business when due. g. You do not use the Proprietary Marks and/or trade dress solely in the manner and for the purposes we direct. h. You violate the restrictions relating to advertising or do not participate in the programs related to advertising and sales promotion. i. You do not indemnify us as required by the License Agreement. j. You permit a continued violation in connection with the operation of the Business of any law, ordinance, rule or regulation, in the absence of a good faith dispute and without promptly resorting to an appropriate administrative or judicial forum for relief. k. You fail to obtain or maintain a required, permit, certificate or other governmental approval. l. You employ an individual who is not legally eligible for employment in the United States.

Provision	Section in License Agreement	Summary
		m. You fail to operate your Business during the days and hours specified in our Brand Standards without our advance written approval. n. You default under any agreement between you and the landlord of your Location and do not cure within the time provided in the lease. o. You fail to maintain and operate your Institute and any delivery vehicles in a good, clean and sound manner, in strict compliance with our standards. p. You do not engage and have us train (as applicable) a successor or replacement Business Manager or Institute Manager. q. You do not comply with any other lawful provision or requirement of the License Agreement or any specification, standard or operating procedure we prescribe.
h. "Cause" defined - non-curable defaults	Sections 18.01 and 18.02	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy. On notice to you: a. You: fail to open the Institute within one year after the Effective Date of the License Agreement; cease to operate the Business; abandon the franchise; or, fail to operate your Institute for tthree consecutive days, unless due to causes beyond your control. b. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the License Agreement. c. You and we agree in writing to terminate. d. You lose the right to possess the Location. e. You, your , your Institute Manager, Key Personnel, Teaching Personnel and/or if you are a business entity, any owner, member, shareholder, director or manager of yours is convicted of a felony, etc. f. You purport to make an unauthorized transfer. g. You do not comply with the in-term covenant not to compete, you fail to obtain the required additional covenants, or you violate the restrictions pertaining to the use of confidential information. h. Before you open, we determine that you and/or your , Key Personnel failed to attend or successfully complete the Initial Training Program. i. You knowingly or through gross negligence conceal revenues, maintain false books or records, falsify information or otherwise defraud or make false representations to us or submit any false report to us. j. You do not maintain the required financial records. k. An audit shows that you understated your Gross Revenues by 5% or more for any month or for the entire

Provision	Section in License Agreement	Summary
		period of examination. l. You refuse us permission to inspect or audit. m. You take any funds withheld from your employees' wages which should have been set aside for the Business' employee taxes, FICA, insurance or benefits; wrongfully take our property; systemically fail to deal fairly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any agent, servant or employee who has embezzled. n. After curing a default which is subject to cure, you commit the same act of default again within 6 months. o. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority; our employees or advertising agencies; or any third parties regarding any matter involving your Business and Institute. p. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable, or if the default is cureable, you fail to cure the default following delivery of at least 72 hours' written notice to cure. q. You do not comply, for a period of 15 days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the Business r. You repeatedly fail to comply with one or more requirements of the License Agreement, whether or not corrected after notice, within any one 12-month period. s. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties necessary for the proper and effective operation of your Business. t. You do not immediately repay us or our affiliates for any amounts we advance on your behalf. u. You do not purchase or maintain required insurance. v. You, your Business, your Institute Manager, Key Personnel, Teaching Personnel and/or Institute commit any violation of law, rule or regulation and/or engage in any act or practice which subjects you and/or us to widespread publicity or ridicule. w. You breach advertising standards and fail to cure within 3 days following written notice. x. You purchase any proprietary products or services or purchase any non-proprietary goods or services under a systemwide supply contract we negotiate, and you use,

Provision	Section in License Agreement	Summary
		sell or otherwise exploit them for the benefit of any other individual, entity or business. y. You operate your Business and/or your Institute in a fashion that, in our sole judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate the License Agreement upon notice, but we may direct you to immediately close your Institute; you must immediately comply with our direction; and, you must hold us harmless from and against any claims relating to our direction to close your Institute. z. You use our confidential information and/or Proprietary Marks in a way not specifically authorized, or for the benefit of any individual or entity other than your Business. aa. You fail to meet the Minimum Performance Standards on more than two occasions during the Term of the License Agreement. bb. You engage in any act or conduct, or fail to engage in any act or conduct, which under the License Agreement specifically authorizes us to terminate the License Agreement immediately upon notice to you. cc. You default under any agreement between you and any lessor or sublessor of your Location and you do not cure the default within the period specified in the Location's Lease or Sublease (as applicable).
i. Your obligations on termination/nonrenewal	Article 19	a. Immediately pay all money owing to us or our affiliates, plus interest, and all sums due to third parties. b. Stop using our Proprietary Marks, confidential information, trade secrets and Brand Standards and never identify yourself to the public in any fashion whatsoever as a current or former Abbey Road Institute licensee. c. Cancel assumed name or equivalent registration which contains "Abbey Road Institute", or any other Proprietary Marks of ours, or any variant, within 15 days. d. If we terminate the License Agreement for your default or you terminate through failure to make payment following notice to cure (see section d. above), you must pay us all expenses and damages incurred as a result of your default or termination. Damages may include, for example, lost profits, lost opportunities, damage to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new Business at or proximate to the Location. e. Immediately deliver to us all training or other manuals furnished to you (including the Brand Standards and

Provision	Section in License Agreement	Summary
		Supplements to the Brand Standards), confidential information, manuals, computer software and database material, customer lists, records and files, forms, advertising and promotional material, signs and related items which bear our Proprietary Marks. f. Immediately sign agreements necessary to effectuate termination. g. Stop using the telephone numbers listed in directories under the name "Abbey Road Institute" or any confusingly similar name or, upon our written demand, direct the telephone company to transfer such telephone numbers to us or to any other person and location that we direct. h. Strictly comply with the post-termination/post-expiration covenants not to compete. i. Continue to abide by restrictions on the use of our confidential information, trade secrets and know-how. j. Immediately refrain from engaging in any contacts with customers, suppliers, employees and all vendors of the Business. k. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the Business, printouts, and other information pertaining to computer operations, codes, procedures and programming. l. If we request, assign us your interest in the Institute lease and vacate promptly, rendering all necessary assistance to us to enable us to take prompt possession. m. Arrange with us for an inventory of personal property, fixtures, equipment, inventory and supplies. We have option for 30 days to buy these at your original cost or for an amount equal to the fair market value, whichever is less. If we choose not to take over the Institute, you must redecorate and remodel it to deidentify it and distinguish it from an authorized Location. If we terminate for cause, we can take possession of the Business. If you dispute the termination, then we can operate the Business until the final court determination. If the court decides the termination was not valid, we must make a complete accounting for the period when we operated the Business.
j. Assignment of contract by us	Section 15.01	We will have the right to assign the License Agreement and our rights and privileges thereunder if the assignee is financially responsible and economically capable of performing our obligations under the License Agreement and agrees to perform these obligations. We may sell our

Provision	Section in License Agreement	Summary
		assets, Proprietary Marks, or System; go public, etc. (see License Agreement)
k. "Transfer" by you – definition	Section 15.02	Any assignment, transfer, subfranchising, sublicensing, sale, redemption or division of Agreement, Business, Institute, any interest in them or a business entity licensee.
l. Our approval of transfer by you	Section 15.02, 15.03	No transfer without our consent.
m. Conditions for our approval of transfer	Section 15.04	a. The person to whom you propose to assign (the "asignee") must apply to us for acceptance and furnish to us all information and references we request. b. Assignee (or, if a business entity, the principals of the proposed assignee) must come to personal interview, or we may meet with assignee at his, her or its business or residence, and if we do you must reimburse us for our travel, lodging, meal and personal expenses. c. Assignee must organizational, managerial and financial structure and resources required to conduct the Business. d. Proposed assignee comply with our ownership requirements relative to the control of the proposed assignee and the licensed Business. e. Proposed assignee have those financial resources and capital to operate the licensed Business in accordance with such standards and the satisfaction of such conditions as we indicate from time to time. f.Assignee and/or his/her/its proposed Key Personnel must attend and successfully complete Initial Training Program before assignment (and other training if we wish), at assignee's expense. g. The landlord of the Location must consent in writing to the assignment of lease. h. You must have cured any existing defaults, fully comply with all obligations to us and satisfy your outstanding monetary obligations to third parties. i. Assignee must sign new then-current License Agreement and all other agreements required of new licensees (but need not pay another Initial License Fee). The term of the new License Agreement will be the balance of your License Agreement. j. Assignee must have acquired, or will be able to immediately acquire following the signing of the new License Agreement, all permits, licenses and other authorizations legally necessary to operate the Business. k. You remain fully liable and responsible for all of your obligations to us and our affiliates under this Agreement

Provision	Section in License Agreement	Summary
		which arose in connection with the operation of your licensed Business prior to the effective date of the assignee's new License Agreement. l.The Total Sales Price may not be so excessive, in our determination, that it jeopardizes the continued economic viability and future operations of the Business and/or the assignee. See License Agreement for definition of "Total Sales Price." m. If assignee is a business entity, owners must sign guarantees and confidentiality/ non-competition agreements. n. You and, if you are a business entity, all of your owners and the assignee (and, if it is a business entity, all of its owners) must sign a general release in the form of Exhibit J to the License Agreement (subject to state law). n. If the assignee is a business entity, all of the requirements of its new License Agreement concerning business entities must be complied with before we sign the new License Agreement and must continue to be complied with. o. You must give us copies of the proposed assignment contract and following execution, a copy of the signed assignment contract. p. Following our inspection of your Institite, and if we require, you and/or theassignee, at your/its own expense, must upgrade and/or replace such equipment or software before entering into our then-current License Agreement or such later time reasonably specifies by us. q. You must pay us a transfer fee of fifty percent (50%) of our then-current Initial License Fee or such greater amount as is necessary to reimburse us for our reasonable costs and expenses associated with the application for transfer. Notwithstanding the foregoing, there will be no transfer fee if the assignee is a business entity you form solely for the convenience of business entity ownership. r. Neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with, a competitor of us or any of our affiliates.
n. Our right of first refusal to purchase your business	Section 15.06	We can match any offer for your Business.

Provision	Section in License Agreement	Summary
o. Our option to purchase your business	Section 19.01	We have the option to buy your Business's assets (including its real estate and facilities) upon termination or expiration.
p. Your death or disability	Section 15.05	If you are a business entity, then upon the death or disability of one or more of your owners (but not the last surviving owner of your business entity, which is addressed in the following paragraph), then the estate, heirs, legatees, guardians or representatives of such owner may freely sell, assign or transfer the deceased's or disabled's interest in this Agreement and/or its interest in the licensed Business to any of the following: (i) the spouse of such individual; (ii) any individual or entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of your licensed Business; or, (iii) the licensed Business itself. On your death or disability your rights pass to your "Estate". The Estate will have a reasonable period of time (not to exceed six months) following the death or disability to sell (as applicable) Licensee or the licensed Business in accordance the requirements described in m. above. Until such sale, transfer or assignment is consummated, the Estate may continue the operation of your licensed Business but only if, at all times, one or more approved Business Managers, as necessary, of your licensed Business is at all times supervising the operation of your Business and, further, only if all other terms and provisions of this Agreement are complied with. From the date of your death or disability until a Business Manager assumes full time control, we can operate your Business, but need not do so. See Item 6.
q. Non-competition cov-enants during the term of the franchise	Sections 13.02	No involvement in competing business anywhere in U.S. You may not solicit for employment or hire our senior management personnel (not including, the Academic Director), the senior management personnel of any of our affiliates or the senior management personnel of any other Business. These provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 13.02	No competing business for 2 years within ten miles of your Location or within ten miles of any other licensed or company-owned Abbey Road Institute or Business. Also for 2 years, you may not solicit for employment or hire our senior management personnel (not including, the Academic, the senior management personnel of any of

Provision	Section in License Agreement	Summary
		our affiliates or the senior management personnel of any other Business . These provisions are subject to state law.
s. Modification of the agreement	Sections 8.01, 28.01	No oral modifications generally, but we may change the Brand Standards. Any Brand Standards change will not conflict with or materially alter your rights and obligations under the License Agreement.
t. Integration/ merger clause	Section 25.01	Only the terms of the License Agreement, the Exhibits to the License Agreement and all agreements signed with it are enforceable (subject to state law). Any representations or promises outside of the disclosure document and License Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	N/A	No provision for arbitration or mediation.
v. Choice of forum	Section 31.04	Arbitration in London, England under the London Court of International Arbitration Rules, except that we may bring an action for an injunction in any court with jurisdiction (see License Agreement). (Subject to state law).
w. Choice of law	Section 31.03	New York law applies. Your state law may supersede this provision and it may not be enforceable in your state. (Subject to state law).

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our franchises.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a licensor to provide information about the actual or potential financial performance of its licensed and/or licensor-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 licensor provides the actual records of an existing outlet you are considering buying; or (2) a licensor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a licensee's future financial performance or the past financial performance of company-owned or licensed outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the licensor's management by contacting Luca Barassi at 3 Abbey Road, London, NW8 9AY, United Kingdom, +44 (0) 20 7266 7397, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND LICENSEE INFORMATION

Domestic U.S. Outlets:

Table No. 1
Systemwide Outlet Summary
For Years December 31, 2019 to December 31, 2021

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Licensed	2019	0	1	+1
	2020	1	1	0
	2021	1	1	0
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	2019	0	1	+1
	2020	1	1	0
	2021	1	1	0

Table No. 2

Transfers of Licensed Outlets from Licensees
to New Owners (other than the Licensor)
For Years December 31, 2019 to December 31, 2021

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table No. 3
Status of Licensed Outlets
For Years December 31, 2019 to December 31, 2021[*]

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Licensor	Column 8 Ceased Opera-tions - Other Reasons	Column 9 Outlets at End of the Year
Florida	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
All Other States	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Total	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

Table No. 4
Status of Company-Owned Outlets
For Years December 31, 2019 to December 31, 2021[*]

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Licensee	Column 6 Outlets Closed	Column 7 Outlets Sold to Licensee	Column 8 Outlets at End of the Year
All States	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Total	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

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

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

Table No. 5

Projected Openings as of December 31, 2021

Column 1 **State**	**Column 2** **License Agreements Signed But Outlet Not Opened**	**Column 3** **Projected New Licensed Outlet in the Next Fiscal Year**	**Column 4** **Projected New Company-Owned Outlet in the Next Fiscal Year**
California	0	1	0
All other states	0	0	0
Total	0	1	0

<u>International Outlets:</u>

<u>Table No. 1</u>
Systemwide Outlet Summary
For Years December 31, 2019 to December 31, 2021

Column 1 **Outlet Type**	**Column 2** **Year**	**Column 3** **Outlets at the Start of the Year**	**Column 4** **Outlets at the End of the Year**	**Column 5** **Net Change**
Licensed	2019	5	6	+1
	2020	6	5	-1
	2021	5	5	0
Company-Owned	2019	1	1	0
	2020	1	1	0
	2021	1	1	0
Total Outlets	2019	6	7	+1
	2020	7	6	-1
	2021	6	6	0

Table No. 2

Transfers of Licensed Outlets from Licensees to New Owners (other than the Licensor) For Years December 31, 2019 to December 31, 2021

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table No. 3
Status of Licensed Outlets
For Years December 31, 2019 to December 31, 2021*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Licensor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Australia	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
France	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Germany	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	0	1
Netherlands	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
South Africa	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
All Other Countries	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

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

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Licensor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Total	2019	5	1	0	0	0	0	6
	2020	6	0	0	0	0	1	5
	2021	5	0	0	0	0	0	5

Table No. 4
Status of Company-Owned Outlets
For Years December 31, 2019 to December 31, 2021*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Licensee	Column 6 Outlets Closed	Column 7 Outlets Sold to Licensee	Column 8 Outlets at End of the Year
United Kingdom	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
All Other Countries	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	0
Total	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

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

Table No. 5

Projected Openings as of December 31, 2021

Column 1 State	Column 2 License Agreements Signed But Outlet Not Opened	Column 3 Projected New Licensed Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
Asia/Pacific	0	1	0
All other countries	0	0	0
Total	0	1	0

The following lists the names of all current licensees in the United States and the addresses and telephone numbers of their outlets as of the end of our last fiscal year:

Master Legacy LLC
3400 SW, 3rd Ave.,
Miami, FL 33145, United States of America
(786) 391-3815.

As of the issuance date of this Disclosure Document, we have not yet completed our first fiscal year. We have not so far terminated, canceled or failed to renew the franchise of any licensee in any state. There is no licensee in any state who, during the same period, transferred his or her franchise or otherwise voluntarily or involuntarily ceased to do business under the License Agreement during the same period. There is no licensee in any state who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document.
In some instances, current and former licensees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former licensees, but be aware that not all such licensees will be able to communicate with you.

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

There are no trademark-specific licensee organizations associated with the franchise system.

ITEM 21 FINANCIAL STATEMENTS

We were formed in August, 2021 and our fiscal year end is December 31st. Attached as Exhibit B is our audited start-up financial statement covering the period from August 16, 2021 (inception) through December 31, 2021. We have not been in business for three years or more and cannot include all financial statements required by the Federal Trade Commission's Franchise Rule for our last three fiscal years.

ITEM 22 CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibit A. These include our License Agreement and all exhibits to it, including the following agreements: Required Provisions for Lease Rider; Software License Agreement; Confidentiality/Non-Competition Agreement; Confidentiality Agreement; Releases; and, Guarantee.

ITEM 23 RECEIPTS

You will find copies of a detachable receipt in Exhibit G at the very end of this disclosure document.

EXHIBIT A

ABBE ROAD INSTITUTE LLC LICENSE AGREEMENT

ABBEY ROAD INSTITUTE, LLC

LICENSE AGREEMENT

TABLE OF CONTENTS

ABBEY ROAD TRAINING INSTITUTE

LICENSE AGREEMENT

This LICENSE AGREEMENT (this "Agreement") is entered into between Abbey Road Institute, LLC, a Delaware limited liability company with its principal office at 4 Pancras Square, London N1C 4AG, United Kingdom ("we," "us," "our" or "Licensor") and ________________________________ whose principal address is ____ ("you," "your" or "Licensee"), as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. PURPOSE AND SCOPE OF THIS AGREEMENT

1.01 The Abbey Road Businesses, System and Proprietary Marks

We and/or our affiliates have developed a proprietary system (the "System") for opening and operating businesses (each a "Business") that operate training schools (each, an "Institute") that provide training services, through the provision of various courses, seminars and other instructional services in the music production and audio engineering fields (the "Courses"), and other related programs, products and services. The System makes use of the trademark, service mark and fictitious business name "Abbey Road Training Institute" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "Proprietary Marks"), which we will designate as licensed to you in this Agreement, Exhibit B attached hereto, our Brand Standards (as described below) and/or otherwise. For avoidance of doubt: the Proprietary Marks do not include "Abbey Road Studios" and no use of the "Abbey Road Studios" mark may be made hereunder.

2. GRANT OF LICENSE

2.01 Grant of License

We grant you, and you accept, the right to use the Proprietary Marks and the System, during the Initial Term, in connection with establishing and operating a Business and Institute at the Location specified in Section 4.01 below. You agree to use the Proprietary Marks and System as we may change, improve, modify or further develop them from time to time as provided in this Agreement, and to operate your Business and its Institute only in accordance with the terms and conditions of this Agreement, any related agreements and the Brand Standards. You may not sub-license, sub-franchise or otherwise grant to any other "Person" (meaning both natural persons and legal entities, including corporations, partnerships, limited liability companies and trusts) any interest in this Agreement or the license granted hereby, except as otherwise provided in this Agreement.

3. LOCATION AND TERRITORY

3.01 Location and Territory

Your right to operate a Business and Institute is restricted to the premises location designated in Exhibit A (the "Location"). Under this Agreement, your Business may establish only one Institute and that Institute shall be located at the Location. We will grant you a protected territory surrounding your Location, as set forth on Exhibit A, within which we will not, subject to our reserved rights set forth in Section 3.03 below, operate ourselves or grant a third party the right to operate an Abbey Road Institute of the type licensed to you hereunder.

3.02 Your Restrictions

Your Business may only offer and sell its programs, Courses, products and services in, at and from your Institute at the Location. Under no circumstance may your Business establish any physical presence outside of the Location at or from which your programs, products or services are sold or furnished. Nor may your Business deliver its programs, Courses, products or services anywhere, through any means or manner other than your Institute, including alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; "800" or similar toll-free telephone numbers; mail order; catalogs; or, any other distribution channel whatsoever except from your licensed Institute. While you may deliver Courses, at your Institute, to individuals who come to your Institute but who reside outside of your Territory, you may not deliver Courses outside of your Territory.

You may only engage in the retail sale of System programs, Courses, products and services. You are prohibited from engaging in the wholesale sale or distribution of any System programs, Courses, products or services, or the programs, Courses, products, equipment, and services which your Business is required or permitted to use or sell under this Agreement, or any component of any of the foregoing which now or in the future constitutes part of the System. “Retail sale" means any sale by you directly to an ultimate consumer. "Wholesale sale or distribution" means any sale or distribution by you to a third party for resale, retail sale, or further distribution. “Component” means any constituent part, element, segment or derivative.

3.03 Rights We Reserve

You understand and agree that we and/or our affiliates may, in or outside the Territory (except as we are restricted by Section 3.02 of this Agreement), engage in any business activity and deploy any business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with such other concepts and business activities. You further understand and agree that this Agreement does not confer upon you any right to participate in or benefit from such other concepts or business activities, regardless of whether it is conducted under the Proprietary Marks or not. Our and our affiliates’ rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of program, Course, product or service except as restricted by Section 3.02 above.

By way of example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, including within your Territory, so long as such other business does not sell under the Proprietary Marks the type of programs, Courses, products or services which your Business offers and sells (except as permitted below). Further, we and/or our affiliates may own, operate or authorize others to own or operate Businesses at any location outside of your Territory, including immediately proximate to your Territory.

You understand and agree that we and/or our affiliates may, during any Successor Term and subject to your right of first refusal (as set forth in Section 6.02 below), develop and operate or grant a third party the right to develop and operate an additional Institute within your Territory.

In addition, you understand and agree that we and/or our affiliates alone have the right to offer and sell within and outside your Territory, and under the Proprietary Marks, any and all programs, Courses, products or services and/or their components (including those used or sold by your licensed Business), whether or not a part of the System, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web; any other form of electronic commerce; television sales (including “infomercials”); online networks; or, any other channel of distribution whatsoever except for an Institute in your Territory.

You also understand and agree that we and/or our affiliates have the right to offer and sell (directly, or through other licensees) System programs, Courses, products and services at any and all schools, colleges and universities, including any school, college or university situated in your Territory; provided that we limit the programs, Courses, products and services we offer to students currently matriculated in such school, college or university.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise, license or non-franchise network, chain or any other business regardless of the location of that other business’ facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than (while this Agreement is in effect) the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be inside or outside of the Territory and immediately proximate to the Location.

This Agreement confers on you the exclusive right to market in your Territory. No other Abbey Road Institute businesses (whether company-owned, company joint-ventured, franchised, licensed or otherwise) may solicit, service, advertise and offer their products and services to any individual or entity located within your Territory (subject to Section 6.02). You must obtain our prior written consent (which we can withhold in our sole business judgment) if you wish to market, offer or sell System products, Courses, programs or services outside of the boundaries of your Territory. If you wish to advertise your Institute in a medium or mode directed to the entire United States, its territories and possessions (such as in a nationwide magazine, or in an airline magazine), or directly internationally, you must first comply with the provisions of Section 11.03.

You waive and release any claims, demands or damages arising from or related to any of the above activities described in this Section 3.03 and promise never to begin or join in any legal action or proceeding, or register a complaint with any government entity, directly or indirectly contending otherwise.

For the purposes of this Agreement, an “affiliate” of an individual or entity (such as you or us) is defined to mean any individual or business entity which directly or indirectly is controlled by, controls or is under common control with that person or entity.

4. INITIAL TERM AND SUCCESSOR AGREEMENT

4.01 Initial Term

This Agreement will take effect as of the Effective Date. The initial term ("Initial Term") of this Agreement will commence on the Effective Date and will expire on the date that is 10 (ten) years after the date that your licensed Institute opens for business to the general public, unless this Agreement is sooner terminated in accordance with its provisions.

4.02 Successor Term and Successor Agreement

You will have the right to enter into one (1) Successor License Agreement (a “Successor License Agreement”), featuring a term of ten (10) years (a “Successor Term”) if you have complied with the conditions and procedures for a successor agreement specified in Article 14 below. The Successor Term will begin on the date that the Initial Term expires. The Successor License Agreement will supersede this Agreement. The Successor License Agreement may not take the form of this Agreement; but, instead, may each take the form of our then-current license agreement and may materially vary from this Agreement in all respects, except that no “initial license fee” will apply to you; you will have no further right to any Successor Term, extension or renewal of any sort; and, the Royalty and other fees on entering into a Successor License Agreement will not be greater than the Royalty that we impose at that time on similarly situated licensees entering into Successor License Agreements. The conditions to and procedures governing your right to a Successor Term are set forth below in Article 14.

5. YOUR PAYMENTS TO US

5.01 Initial License Fee

You agree to pay us an Initial License Fee in the amount of $385,000. The Initial License Fee is payable and due in full when you sign this Agreement; is not refundable unless and except as specifically provided in this Agreement; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, Courses, products, services or assistance.

5.02 Advisory Fee

You agree to pay us an annual Advisory Fee in the amount of $17,500 (the “Advisory Fee”). The first annual Advisory Fee shall be due nine (9) months after the date you commence operation of your Institute (the “Advisory Fee Commencement Date”), and each subsequent Advisory Fee payment shall be made annually on the anniversary of the Advisory Fee Commencement Date. The Advisory Fee is non-refundable and is in consideration of our quality assurance inspection and monitoring of certain aspects of your Institute for compliance with our Brand Standards, and providing advice, know-how and guidance relating to promotion and methods of operation which are advisable in connection with the Business, and ancillary services thereto.

5.03 Student Royalties

A. Main Course Royalties

You agree to pay us Student Royalties in the amount of eight percent (8%) of the Gross Revenues (as defined in Section 5.04) earned from each "Main Course" (defined as Courses, seminars and other instruction services exceeding a duration of 24 weeks) student tuition fees (which fees shall be based on those fees published at the time of the student registration, and which shall be no less than USD $30,000 per student) at the Institute. You must pay the Main Course Student Royalties to us in accordance with the following payment schedule: 50% of the amounts owed shall be due within 30 days from the course commencement date and the remaining 50% is due by (a) the 20th week from the course commencement date, in the case of a full time Main Course or (b) the 36th week from the course commencement date, in the case of a part time Main Course. For the purposes of this Section, a full time Main Course refers to a course taught over a one-year period where students attend theoretical classes at least four (4) times a week, and a part time Main Course is a course taught over a two-year period where students attend theoretical classes at least two (2) days a week.

B. Short Course Royalties

You agree to pay us Student Royalties in the amount of eight percent (8%) of the Gross Revenues (as defined in Section 5.04) earned from each "Short Course" (defined as Courses, seminars and other instruction services of up to, but not exceeding, 24 weeks in duration) student tuition fees at the Institute. You must pay the Short Course Student Royalties to us within 30 days from the course commencement date. Notwithstanding the foregoing, you shall not be required to pay us any Student Royalties in the event that you charge a Short Course fee of USD $500 or less.

The Student Royalties are non-refundable, are solely in consideration of our granting you the license conferred by this Agreement and are not in exchange for any particular goods, services or assistance we may furnish you.

5.04 Definition of Gross Revenues

"Gross Revenues" means all sums invoiced by you (whether or not received), revenues, and income from any source that you directly or indirectly derive or receive from, through, by or on account of the operation of your licensed Business and/or Institute, whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise, including the value of all services rendered in your relevant fiscal year whether or not invoiced. Gross Revenues specifically includes revenues and income you receive from the proceeds of any business interruption insurance policies and/or the sale of any promotional or premium items. You may deduct from Gross Revenues, to the extent they had been included in your calculation of Gross Revenues, documented refunds, charge backs, credits and allowances that you give in good faith to students or other customers; proceeds from property damage or liability insurance; and proceeds from any civil forfeiture, condemnation, or seizure by government entities. You may also deduct from Gross Revenues all sales taxes or similar taxes which you legally charge to students or other customers if you add the taxes when you charge the student/customer; send the tax payments to the appropriate tax authorities when due; furnish us within 30 days of payment an official receipt for the payment of the taxes or any other evidence that we reasonably consider acceptable; and, state in the monthly report required by Section 5.05 of this Agreement the amount of all these taxes and the payments to which they relate. Gross Revenues shall not include any revenue that you derive, directly or indirectly, from any commercial recording studio that you may operate from the premises of your Institute.

5.05 Reporting and Payment

A. You agree to submit a monthly report to us for our receipt on or before the 4th day of each month. If the 4th day falls on a national holiday in the nation where your Institute is located, or on a weekend, then the monthly report shall be due on the following business day. The monthly report will consist of a statement reporting all Students enrolled into the Courses in each month and the Gross Revenues for the preceding month and your calculation of the Student Royalties due thereon, all in the manner and form we prescribe. You must manually or electronically sign the monthly report as we direct. We reserve the right to require you to file your monthly reports electronically or through any now or hereafter developed mode of communication and/or data transmission. You also agree to furnish to us any other financial or non-financial data that we request concerning the activity of your Business in the form, manner and frequency that we request it.

C. We reserve the right to require the transmission of these and any other payments required under this Agreement by direct account debit, electronic funds transfer or other similar technology now or hereafter developed to accomplish the same purpose. If we require you to make payments by direct account debit, electronic funds transfer or other similar technology we designate, you agree to deposit and maintain at all times sufficient funds to cover all fees and payments you owe to us and our affiliates in a segregated bank account (the "Bank Account") that you form and maintain for the licensed Business and Institute. If you fail to properly report the Institute's Gross Revenues and any other sales data and/or information we request through this alternative method based on the deadlines described above, we may debit your Bank Account for one hundred twenty percent (120%) of the last Student Royalties that we debited (together with the interest noted in Section 5.05(D) below). If the amounts that we debit from your Bank Account are less than the amounts you actually owe us (once we have determined the Institute's true and correct Gross Revenues), we will debit your Bank Account for the balance. If the amounts that we debit from your Bank Account are greater than the amounts you actually owe us, we will credit the excess (minus other amounts that you may owe us in connection with your failure to report your Institute's Gross Revenues and any late fees and interest fees assessed) against the amounts we otherwise would debit from your Bank Account during the following period. The Bank Account must have the capacity to make payments through the means we designate, and you must sign all documents required by your bank, our bank and us or for approval and implementation of the debit or transfer process. If and when we have implemented this requirement, you may not change the Bank Account without our advance written approval. You agree to pay all costs of direct account debit, electronic funds transfer or other similar technology we designate. You agree to pay us a $100 fee each time that a check you provide to us is returned or dishonored by the bank, or we attempt to debit your Bank Account for payments you owe us and the Bank Account has insufficient funds.

D. You agree to pay us or our affiliates interest on any overdue amounts owed to us or our affiliates (under this or any other agreement) at the lesser of (i) four percent (4%) above the base rate of the London Interbank Offered Rate (LIBOR) and (ii) the maximum amount which can be charged pursuant to the applicable law in the State in which your Institute is located. This provision does not constitute consent to late payments or an agreement to extend credit. If you are delinquent in any required payment, we or our affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine, whether or not there is any contrary designation by you. You may not withhold, set-off or recoup payment of any amount due on the grounds of the alleged non-performance or breach of any of our or our affiliates' obligations under this or any other agreement.

E. In addition to all other payments under this Agreement, you agree to pay us or our affiliates immediately upon demand: (a) all sales taxes, trademark license taxes, gross receipts taxes and any other taxes imposed on or required to be collected or paid by us, our affiliates and/or our third party designees (as applicable) (excluding any corporate income taxes imposed on us, our affiliates and/or our third party designees) because we, our affiliates and/or our third party designees (as applicable) have furnished programs or services to you, collected any fee from you, licensed our Proprietary Marks to you and/or entered into this Agreement with you; (b) all amounts we advance, pay or become obligated to pay on your behalf for any reason; and, (c) any amount to reimburse us for costs and commissions paid or due to a collection agency or in connection with our collection efforts; and (d) all amounts you owe us or our affiliates for programs, products or services that you purchase from us or our affiliates.

6. OPTION FOR ADDITIONAL LICENSED INSTITUTES; LICENSEE'S RIGHT OF FIRST REFUSAL

6.01 Option for Additional Licensed Institutes

During the Initial Term of this Agreement, you shall have the option (but not the obligation) to open one or more additional Institutes within your Territory (the "Additional Institute Option") on the terms and conditions set forth below.

A. Exercise of Additional Institute Option

To exercise your Additional Institute Option, you must provide us with written notice of your intent to open an additional Institute (the "Option Notice").

(i) Upon receipt of your Option Notice, and if required by applicable law, rule or regulation, we will furnish you with a copy of our then-current License Disclosure Document (inclusive, of our form of Franchise Agreement). Upon our doing so, you must acknowledge receipt of our License Disclosure Document by dating, executing and returning to us the Receipt form included within our License Disclosure Document (the "LDD Receipt").

(ii) You and we agree to negotiate with each other in good faith to determine the location of the additional Institute and the timing within which you must commence operations.

(iii) At the conclusion of our negotiations, but no sooner than ten (10) business days after the date you receive our License Disclosure Document (if applicable), we will deliver to you an execution copy of then-current License Agreement. You acknowledge, understand and agree that the terms of the License Agreement you will sign for the additional Institute may materially vary from this Agreement in all respects, except that you will pay to us an Initial License Fee equal to thirty percent (30%) of our then-current Initial Licensee Fee upon execution of the License Agreement for the additional Institute.

B. Conditions to Additional Institute Option

Your right to enter into a License Agreement for an additional Institute pursuant to the Additional Institute Option is conditioned upon you having satisfied the following conditions at the time of your exercise of the Additional Institute Option:

(i) You must not be in default of any provision of any License Agreement or any other agreement with us (or our affiliates) and you must have substantially complied with all of the terms and conditions of such agreements during their respective terms; and

(ii) You must have satisfied all monetary obligations owed by you to us (and our affiliates and designees of both entities) and timely met those obligations throughout the term of any License Agreement; and

(iii) You must have demonstrated, thus far in the Initial Term, growth year-over-year in your number of students at your existing Institute(s) in accordance with the terms of your existing License Agreement(s); and

(iv) Your average student satisfaction rating, as measured by our surveys and compulsory student reviews following the form and procedures set forth in our Brand Standards, must meet the benchmarks set forth in our Brand Standards.

C. Expiration of Additional Institute Option

If you fail to exercise your Additional Institute Option prior to the expiration or termination of the Initial Term of this Agreement, then your Additional Institute Option shall expire and will be deemed null and void at the time of such termination or expiration. If your Additional Institute Option expires as set forth in the preceding sentence and you enter into a Successor License Agreement, we will grant you a right of first refusal during your Successor Term, pursuant to Section 6.02 below.

If you exercise your Additional Institute Option and open an additional Institute in your Territory during the Initial Term of this Agreement, then, if we agree to enter into a Successor License Agreement for a Successor Term to this Agreement, we will include an Additional Institute Option in such Successor License Agreement, which will be subject to Section 6.02 below.

6.02 Licensee's Right of First Refusal in Successor Term

If you and we enter into a Successor License Agreement, we will grant you a right of first refusal, applicable only during such Successor Term, with regard to the opportunity to establish and operate an additional Institute in your Territory, on the following terms and conditions:

A. If during such Successor Term a third party, qualified (in our business judgment) prospective licensee expresses to us a *bona fide* interest (in our business judgment) to establish and operate an Institute within your Territory in a particular city/municipality that is centered outside a radius of eighty (80) miles from any existing Institute you own in the Territory (for example, if the only Institute you own in the Territory is in Los Angeles, another city/municipality centered at least 80 miles away would be San Francisco or San Diego), then we will notify you of such interest in writing, including the initial license fee that such third party has indicated they are willing and able to pay us with respect to such city/municipality ("Notice of Interest") and, if required by applicable law, rule or regulation, we will provide you with a copy of our then-current License Disclosure Document. Together with our notice, we will also provide you with our then-current form of License Agreement. You shall then have fifteen (15) days (the "ROFR Notice Period") from receipt of our Notice of Interest and such accompanying materials to provide us with written, definitive and clear notice as to whether you intend to exercise your right of first refusal – that is, enter into a License Agreement with us in accordance with the same terms as stated in the Notice of Interest, to establish an Institute in such city/municipality in lieu of our entering into a License Agreement with the above-referenced third party pertaining to such city/municipality.

B. If we provide you with a License Disclosure Document in conjunction with the Notice of Interest, you must promptly acknowledge your receipt of our License Disclosure Document by dating, executing and returning to us the Receipt included therein. If we provide you with a License Disclosure Document at that time, then no later than thirty (30) calendar days following your receipt of the License Disclosure Document, the parties shall both sign an execution copy of our then-current form of License Agreement. Once the License Agreement for the additional Institute has been fully executed by you and us, you must commence finding and securing a location for your additional Institute in such city/municipality, in accordance with the terms of such License Agreement.

C. If you decline the opportunity presented by (or, during the pendency of the Notice Period, have not definitively answered) our Notice of Interest, you acknowledge, understand and expressly agree that: (a) your territorial protection rights and your Additional Institute Option shall automatically be deemed amended insofar as we shall be free, in our business judgment, during the Notice Period and for a period of twelve (12) months after expiration of the ROFR Notice Period, to grant the above-described third party prospective licensee the right to open and operate an additional Institute in your Territory and to execute a License Agreement with such third party in accordance with the terms set forth in the Notice of Interest, and your Additional Institute Option shall not apply during such time period to such city/municipality and a radius of 80 miles around it; and (b) if such third party not only executes such a License Agreement with us but also proceeds to actually open a licensed Institute in such city/municipality in accordance with such License Agreement, then your Territory, any Additional Institute Option you have, and any right of first refusal you have will no longer include a radius of 80 miles around such third party's licensed Institute.

7. SITE SELECTION, CONSTRUCTION, TRADE DRESS AND LEASE REQUIREMENTS

7.01 Location

A. You may operate your licensed Business only from your Institute premises Location (as defined in Section 3.01). You may also use the Location to operate, a commercial recording studio; so long as the operation of your recording studio does not negatively impact the operation or facilities of your Institute.

B. You are expected to have already leased or purchased a Location for your Abbey Road Institute. If you have suggested a Location which we have approved before the execution of this Agreement, then the address of that Location will be set forth on Exhibit A to this Agreement. If you have not suggested a Location which we have approved before the execution of this Agreement, then the following provisions will apply:

1. We will furnish to you our site selection criteria following the execution of this Agreement. You agree to use your best efforts to find an acceptable Location. You must comply with all our specifications, requirements and restrictions. The Location will be subject to our advance written approval, and our determination will be final. We may require you to submit maps, completed checklists, photographs, diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate your proposed Location.

2. It is of the essence of this Agreement that you select a Location, identify it to us, obtain our advance written approval, and sign a lease approved by us (or provide proof of ownership) for your Location within four (4) months following the date of our execution of this Agreement. If you intend to own the Location, then you agree to furnish to us proof of ownership or an executed contract of sale within 30 days following our approval of the Location. If you do not secure a Location within the time limits and following the procedures specified in this Section 7.01, then this failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, we will refund to you seventy-five percent (75%) of the Initial License Fee (minus our expenses) on condition that you immediately execute a General Release in the form of Exhibit H running in favor of us and our affiliates.

3. In addition, if you and we cannot agree upon a Location within four (4) months following the Effective Date, then we can terminate this Agreement, and if we do so,

we will refund to you seventy-five percent (75%) of the Initial License Fee (minus our expenses) on the condition that you immediately execute a General Release in the form of Exhibit H running in favor of us and our affiliates.

4. You acknowledge and agree that any advice we furnish regarding site selection and our proposal, inspection and/or approval of any proposed site for your Location will not constitute, and will not be deemed to constitute, our express or implied representation, warranty, guarantee or any other indication of the prospective profitability, viability or merit of the Location, and you hereby forever waive any claim to the contrary.

7.02 Location Lease

You are expected to have already leased or purchased a Location for your Abbey Road Institute. If you have not leased or purchased a Location prior to the execution of this Agreement and will be leasing the Location, then promptly following our written approval of your proposed Location site, you agree to obtain a lease or sublease for the Location which, unless we otherwise approve the lease in advance, must be accompanied by a rider incorporating the requirements specified in Exhibit C to this Agreement. You agree to deliver to us a copy of any proposed lease or sublease and any related documents (collectively, the "Lease") before you execute the Lease. Any Lease will be subject to our advance written approval, which we will not unreasonably withhold or delay, provided, however, that we expressly reserve the right to disapprove any Lease not accompanied by a rider embracing all of the provisions of Exhibit C, and/or any Lease whose term is not at least as long as the Initial Term of this Agreement. If we do not communicate our approval or disapproval of a proposed Lease to you within 20 business days following our receipt of the proposed Lease, and if the Lease is accompanied by a rider containing the required provisions of Exhibit C, and has a term of at least as long as the Initial Term of this Agreement, then the Lease will be considered approved.

You may not, in any Lease, create any obligations or grant any rights against us or our affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. You also acknowledge and agree that you are bound by the terms, conditions, covenants and obligations of the Lease and that your failure to comply with the Lease will constitute a material breach of this Agreement. You may not assign, transfer or encumber your Lease or sublet all or any part of the Location without our advance written approval.

7.03 Construction of Your Institute

After acquiring the Location by lease or purchase, you shall at your expense construct your Institute or, if applicable, convert the existing premises at the Location to become your Institute, in conformity with the final plans and specifications which we have approved (as provided in Section 7.03). At your expense and prior to commencing construction of your Institute, you must obtain all necessary permits, licenses, variances and approvals pertaining to the building, occupancy, signs, utilities, zoning, use, and any other permits, approvals or variances which are necessary to permit the construction and use of an Institute as may be required by federal, state and local laws, rules, regulations or ordinances. You shall certify to us in writing that all such permits, licenses, variances and approvals have been obtained.

You must engage a qualified, licensed and bonded general contractor to construct your Institute and to complete all improvements. You must obtain and maintain in force during the entire period of construction the insurance required under Section 10.01 of this Agreement. Your indemnification of us, our affiliates and all others specified in Section 9.10 below applies to each and every activity arising from or related to the construction of your Institute. You understand and agree, and promise never to contend or assert otherwise, that our approval of your final plans for your Institute does not render us liable for any defects, neglects, omissions, errors or negligence associated with such plans and shall not in any fashion be construed to diminish or negate your indemnification of us, our affiliates and the others referenced in Section 9.10 below nor render us liable in any fashion or to any extent for any liabilities engendered thereby.

You must use your best efforts to complete the construction or conversion of your Institute promptly. You must provide us with comprehensive information regarding all phases of the development process of the Location as we may require, such as weekly progress reports during conversion, in the format we designate. This information will include (without limitation and as applicable) the names, addresses and telephone numbers of your architect, civil engineer, surveyor, general contractor, subcontractors, principal vendors and environmental consultant, and the primary contact for each; copies of all permits, licenses, contractor's liability insurance certificates and other similar items required for the conversion of your Institute; and, copies of all construction or remodeling contracts and documents, along with originals of all lien waivers and copies of all invoices. These requirements will also apply to any construction, remodeling, renovation or refurnishing of your Institute at any time after it opens.

We will not be responsible for delays in construction, conversion, remodeling, equipping or decoration or for any loss resulting from your Institute's plans that you furnished to us pursuant to Section 7.04 before implementing the changes. You hereby grant us access to your Location while work is in progress. We may require any reasonable modifications of the construction of your Institute that we consider necessary or desirable in our reasonable business judgment. If you fail to promptly begin the design, construction, equipping and opening of your Institute with due diligence, we may elect to terminate this Agreement immediately upon notice to you.

When construction is complete and before you open your Institute, your architect and general contractor must provide us with a certificate stating that the as-built plans for the Institute fully comply with the Americans with Disabilities Act (the "ADA"); the architectural guidelines under the ADA; and, all other laws, rules, regulations, codes and ordinances applicable to the Institute and the Location, including any requirements set forth in the Lease for the Location.

We will have the right, but not the obligation, to conduct a final inspection of the completed Institute before it opens. We may require any corrections and modifications we consider reasonable and necessary to bring the Institute into compliance with the plans and specifications we approved. The Institute will not be allowed to open if the Institute does not conform to the approved plans and specifications, including changes thereto that we may approve.

7.04 Specifications and Sources of Supply

We will provide you with a sample layout for the interior of a prototype Institute and a set of typical preliminary plans and specifications for, and approved sources of supply of, your Institute's furniture, fixtures, equipment, signs and/or other trade dress elements. We reserve the right to be (and earn a profit as) an approved source or the only approved source of certain of your Institute's furniture, fixtures, equipment and/or other trade dress elements and to earn a profit from such activity. If we have not specified a source of supply for any such item, then you may purchase that item from any source, so long as the items purchased are in strict accordance with any specifications concerning the item which we have issued in the Brand Standards or otherwise. You must obtain our advance written consent before deviating in any fashion from our specifications.

All signs at your Institute must conform to our sign criteria, unless we otherwise consent in writing, for good cause you demonstrate.

The sample layout and preliminary plans we furnish you will not address the requirements of any federal, state or local law, code or regulation, including those of the ADA or similar laws or rules. You alone, working with your architect or engineer (if applicable), are responsible for ensuring that your Institute, as constructed, complies with all applicable laws, rules, regulations, ordinances, building codes, fire codes, permit requirements and the ADA. Further, the sample layout and preliminary plans we furnish you will not contain the requirements of, and may not be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build and/or operate a specific Institute. You agree, at your expense, to employ architects, designers, engineers or others, all as we may specify, necessary to complete, adapt, modify or substitute the layout, plans and specifications for your Institute.

You must employ a qualified, licensed architect and/or engineer that we specify or, if we do not specify, who is reasonably acceptable to us to prepare preliminary plans and specifications for the site improvement and construction of your Institute (which must be based on the sample layout and preliminary plans we furnish to you). You must submit a complete set of your proposed final plans and specifications to us and obtain our written approval of them before you seek to register them with any governmental or quasi-governmental agency or begin construction of your licensed Institute. Our approval will be based on our assessment of compliance with our standards for new Institutes. We will not assess compliance with federal, state or local laws, rules or regulations, including the ADA. Your architect must certify to you in writing that the plans and specifications for your Institute comply with the ADA; the architectural guidelines under the ADA; all applicable federal, state and/or local laws, rules and regulations for accessible facilities; and, all other applicable federal, state or local laws, rules and regulations (including building codes, fire codes and permit requirements). You must furnish us with a copy of this certification prior to opening for business.

You agree that any plans and specifications you prepare and submit to us will be irrevocably licensed to us in perpetuity. We, our affiliates, and any other licensees to whom we give these plans and specifications may use them without owing you any compensation or being liable to you in any way.

7.05 Maintaining Your Institute

You shall at all times maintain at your sole expense the interior and exterior of your licensed Institute and the entire licensed Location and any other facilities used by the licensed Business in first class condition and repair, and in compliance with all applicable laws, rules, regulations and our Brand Standards, except to the extent that we may otherwise expressly agree in writing.

7.06 Relocation of Your Institute

You may not relocate your Institute to another location without first obtaining our written approval for the new location and reimbursing us for any reasonable costs we incur in considering your request. If you relocate the Institute with our approval subject to the terms of this Section 7.06, the new location will be the "Location" of the licensed Business. Any relocation will be at your expense. All leases or subleases that you enter into, all plans and specifications for your relocated Institute that you adduce and all construction, remodeling, renovation or other such activity that you perform at and for the relocated Institute must be in accordance with all of the provisions of this Article 6 and our then-current standards, specifications and requirements.

7.07 Time Is Of the Essence

Subject to the provisions of Article 21 of this Agreement ("Unavoidable Delay or Failure to Perform [Force Majeure]"), time is of the essence with regard to each and every requirement of this Article 7.

8. OUR DUTIES

8.01 Brand Standards; Policy Statements

We will provide you with access to view our Brand Standards. All references in this Agreement to the "Brand Standards" refer to any and all now and hereafter developed printed or electronic manuals, a private data storage site accessible via internet; electronic media; online postings; e-mail and/or other electronic communications; one or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS, USB drives or other data storage devices; computer software; facsimiles; or, any other now or hereafter developed medium capable of conveying our operating standards, systems, procedures, policies, methods, standards, specifications and requirements for operating your Business.

We have the right to prescribe additions to, deletions from or revisions of the Brand Standards (the "Supplements to the Brand Standards"), all of which will be considered a part of the Brand Standards. All references to the Brand Standards in this Agreement will include the Supplements to the Brand Standards. Supplements to the Brand Standards will become binding on you as if originally set forth in the Brand Standards, upon being delivered to you.

You acknowledge that we are the owner of all proprietary rights in the Brand Standards and all intellectual property rights connected therewith (including common law copyright) and that you are acquiring no property or other right to the Brand Standards other than a license to use it and comply with it during the term of this Agreement. You agree to ensure at all times that your copy of the Brand Standards is current and up-to-date. If there is any dispute as to your compliance with the provisions of the Brand Standards and any Supplements to the Brand Standards, the master copy of the Brand Standards and any Supplements to the Brand Standards maintained at our principal office will control.

In addition to the Brand Standards, we may issue policy statements designed to provide you with information and/or insight as to our current thinking about various business issues or strategies. Policy statements are not part of the Brand Standards, are not contracts and do not create any contractual or other binding obligation on either you or us.

8.02 Initial Training Program

After you secure an Institute Location and at least 90 calendar days before the opening of your Institute, unless the parties agree otherwise, (i) you (if you are an individual); and (ii) all of your essential personnel as we determine, including without limitation, Institute Manager (as defined in Section 9.07 below) and Academic Directors, marketing and sales managers and lead technician (collectively, "Key Personnel"); must attend and successfully complete our initial training program (the "Initial Training Program") (you (if you are an individual) and the Key Personnel are sometimes collectively referred to herein as the "Trainees") which we will provide at no additional expense to you (except, as provided below, in instances where you ask us to provide our Initial Training Program for additional or replacement personnel). We will determine the date of commencement, location, duration and schedule of the Initial Training Program and notify you of them. We reserve the right to furnish our Initial Training Program by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media).

If we reasonably conclude in our business judgment that any of the Trainees require additional training in order to perform their duties according to our standards, then we may request and require that you make such Trainee(s) available for additional training at no additional charge. If, after the Initial Training Program, we conclude in our business judgment that any of the Trainees have failed to reach a level of competence necessary to perform their duties, then we may request and require that you appoint an alternative candidate to replace that Trainee.

In the event that you hire a new employee to replace an existing member of your Key Personnel, that replacement employee will be required to attend and successfully complete our Initial Training Program (as set forth above) prior to commencing his or her employment. The initial training for your replacement Key Personnel will be at no additional charge to you.

We reserve the right at all of our training programs to determine the duration of such programs, what subjects are included in the curriculum of our training programs and to train any number of individuals from any number of Businesses, whether franchised, licensed or otherwise affiliated with us, at the same time. Under no circumstance will you be compensated for any work your trainees may perform or services your trainees may render in the course of participating in any of our training programs. We reserve the right to furnish our training programs by means of a company intranet or other electronic means of communication (such as web based tutorials, video streaming, or through other now or hereafter developed media).

At all times during the Term of this Agreement, you agree to pay all the expenses incurred by your Trainees or attendees in connection with any training, conferences, conventions or other meetings they attend, including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

8.03 On-Site Training or Assistance
You may request on-site training or assistance at any time in accordance with guidelines we may specify in the Brand Standards or otherwise. We will not be obligated to provide on-site training or assistance, but if we elect to do so, we may impose a fee for each day of on-site training or assistance we agree to provide. The timing of all advice, consultation and training provided for in this Agreement will be subject to the availability of our personnel.

8.04 On-Going Training
We may from time to time develop additional training programs which your Trainees must attend and successfully complete. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media). You agree to pay all of the expenses incurred by your trainees or attendees in connection with any additional training programs we develop, including their salaries, travel costs, meals, lodging and other living expenses.

In addition, we may require your Institute Manager and Academic Director to attend our graduation ceremony in London, England to collect the diplomas for the students who completed Courses at your Institute. While in London attending our graduation ceremony, we may require your Institute Manager and Academic Director to attend meetings and training sessions that we schedule. If we require your Institute Manager and/or Academic Director to attend our graduation ceremony and System meetings, you shall be responsible for such attendee's per diem salary, travel, lodging, food and other living expenses. You (if you are an individual) and other members of your Key Personnel may attend our ceremony but are not required to do so. If you elect to attend or send other members of your Key Personnel to attend our graduation ceremony, you will also be responsible for such additional attendee(s)' per diem salary, travel, lodging, food and other living expenses.

8.05 Field Support Services
After you have opened your Institute, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Business. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

8.06 Accounting, MIS and POS Systems
We may, but need not, specify the electronic and/or written accounting and management information system ("MIS"), procedures, formats and reporting requirements which you will utilize to account for your licensed Business; maintain your financial records and Institute data; and, generate reports for both you and us. In addition to operating reports, payroll, cash management and general ledger accounts, these systems may be tailored to provide computerized point-of-sale ("POS") scanning and invoice entry and/or automated "smart phone" (or other) customer purchase tracking/payment transactions. You will be solely responsible for performing all bookkeeping, recordkeeping and accounting duties prescribed under this Agreement or in the Brand Standards and for bearing the costs of these activities.

8.07 Pricing
Because enhancing Abbey Road Institute's interbrand competitive position and consumer acceptance for Abbey Road Institute's programs, Courses, products, and services is a paramount goal of us and our licensees, and because this objective is consistent with the long term interest of the System overall, we may exercise rights with respect to the pricing of Institute programs, Courses, products, and services to the fullest extent permitted by then-applicable law. These rights may include (without limitation) prescribing the minimum prices which you may charge for the foregoing; recommending prices; advertising specific prices for some or all of the foregoing, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your prices; and, otherwise mandating,

directly or indirectly, the minimum prices which you may charge. We may engage in any such activity either periodically or throughout the Term of this Agreement. Further, we may, in our business judgment, engage in such activity only in certain geographic areas (cities, states, regions) and not others; with respect to certain types of Institutes but not others; or, with regard to certain subsets of licensees and not others. You acknowledge and agree that any minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your licensed Business and you irrevocably waive any and all claims arising from or related to our prescription or suggestion of your licensed Business's prices. However, subject to the terms and conditions of this Section 8.07, nothing in this Agreement may be construed to prevent you from otherwise freely establishing your own prices.

Any discount or scholarship program proposed by you (the Licensee) will have to be expressly approved in writing by us (the Licensor), and in accordance with the terms outlined in this Agreement, including the scholarship program consent process outlined in Exhibit L to this Agreement.

8.08 Nature of Obligations
All our obligations under this Agreement are to you alone. No other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

9. YOUR DUTIES

9.01 Opening Date
Unless we otherwise agree, you must fulfill all of your pre-opening obligations set forth in this Agreement, the Brand Standards and in other written notices from us, and open your licensed Business to the general public no later than one (1) year following the Effective Date. Time is of the essence. If you fail to comply with any of such obligations, we will have the right to prohibit the Institute from opening.

You will not be allowed to open your Institute without our written approval, which we will not unreasonably withhold. In order to obtain our approval to open, you must: obtain all required state, local and other required government certifications, permits and licenses, furnish to us copies of all such required permits and licenses; furnish to us copies of all insurance policies required under this Agreement; attend and successfully complete our Initial Training Program to our satisfaction (as provided in this Agreement); pay us or our affiliates any amounts due through the date that you request our approval to open; not be in default under any agreement with us or any affiliate of ours; not be in default under, but instead be current with, all contracts or agreements with your principal vendors, suppliers and other business creditors (including the lessor or sublessor of your Location, us and our affiliates); and, otherwise comply in all respects with the pre-opening obligations set forth in this Agreement, the Brand Standards or other written notices we may furnish to you. In addition to the foregoing, you must submit to us a request to open your Institute. Once we receive your request, we will notify you in writing whether or not the Institute meets our standards and specifications. If we approve your request to open your Institute, our acceptance is not a representation or warranty, express or implied, that the Institute complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies.

You must send us a written notice of the actual opening date (the "Opening Date") of the Institute licensed hereunder concurrent with such opening.

9.02 Manner of Operation
Your licensed Business and the Institute it operates must comply at all times with every provision of this Agreement, the System, and the Brand Standards. You may not use the System or the Proprietary Marks for the benefit of any business other than the licensed Business. You must ensure that all materials used in your licensed Institute carrying the Proprietary Marks indicate that they are registered marks and are used under license. You may not conduct (or permit anyone else to conduct) any business at your Institute other than the licensed Business embraced by this

Agreement without first obtaining our written consent, which we may withhold for any reason or no reason. You acknowledge, understand and agree that your strict compliance with the System, this Agreement and the Brand Standards are of the essence to this Agreement and are critically important to you, us and all other licensees, since your failure to adhere to the System, this Agreement and/or the Brand Standards may damage the reputation and goodwill enjoyed by the Abbey Road Institute network and the Proprietary Marks.

To the extent that we have furnished to you, or otherwise permitted you to inspect, the table of contents of our Brand Standards and the subject matters identified therein prior to your execution of this Agreement, you hereby irrevocably affirm and attest that you have reviewed the table of contents of our Brand Standards (and the subject matters identified therein) in detail and in its entirety; that the table of contents of our Brand Standards (and the subject matters identified therein) are commercially reasonable in all respects; that the table of contents of our Brand Standards (and the subject matters identified therein) do not in any fashion exceed our ability to promulgate requirements in the Brand Standards under this Agreement; and that, accordingly, you irrevocably promise and agree never to begin or join in any legal action or proceeding, or register a complaint with any government entity, directly or indirectly contending otherwise or in any way complaining that the table of contents of our Brand Standards (and the subject matters identified therein) are in any fashion commercially unreasonable or exceed our authority to promulgate same under this Agreement.

9.03 Modifications to the System

In the exercise of our sole business judgment, we may from time to time modify any components of the System and requirements applicable to you by means of furnishing to you our Brand Standards, Supplements to the Brand Standards or otherwise, including, but not limited to, altering the programs, products, Courses, services, methods, standards, accounting and computer systems, forms, policies and procedures of the System; adding to, deleting from or modifying the programs, Courses, products and services which your licensed Business is authorized and required to offer; altering System policies, procedures, methods and requirements; modifying or substituting required equipment, technology, signs, trade dress and other Business characteristics that you will be required to adhere to (subject to the limitations set forth in this Agreement); requirements pertaining to capturing and relaying to us student information and data; and, changing, improving, modifying or substituting one or more of the Proprietary Marks. You agree to implement any such System modifications as if they were part of the System at the time you signed this Agreement.

You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or license agreement terms for any particular licensed Business, based on the timing of the grant of the license, the peculiarities of the particular market area or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the licensed Business. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

9.04 Cobranding

We may determine from time to time to incorporate in the System programs, Courses, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Business, along with some or all other Businesses, will be required to offer and sell. This activity, referred to as "cobranding," may involve changes or additions to the Proprietary Marks and may require you to make modifications to your Institute's premises and the furniture, fixtures, equipment, signs, and trade dress of your Institute. If we give written notice to you that we are instituting a cobranding program, you agree promptly to implement that program at your Institute at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Student Royalties or local advertising expenditure obligations under this Agreement. Notwithstanding the foregoing, you are prohibited from entering into any cobranding or sponsorship arrangement with any third parties related to the Business, the

Institute and/or the Proprietary Marks, without our prior written consent, which we can withhold for any or no reason.

9.05 Compliance with Laws, Rules and Regulations

You agree to adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and to operate your Business in strict compliance with all laws, rules, regulations, ordinances, policies and procedures of any federal, state, county, municipal or local governmental or quasi-governmental agency, commission and/or authority which govern the construction or any element of the operation of your licensed Institute and Business. You also agree to obtain and keep in good standing all licenses, permits and other governmental consents and approvals (including, without limitation, all applicable educational licenses and certifications) which are now or hereafter required to operate your Institute and Business now or in the future.

You represent and warrant to us that, as of the date of this Agreement and at all times during the Term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director, manager, or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); 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 or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism laws, and you specifically acknowledge and agree your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 9.05. Any misrepresentation by you under this Section 9.05 or any violation of the anti-terrorism laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our affiliates.

9.06 Health, Safety and Cleanliness

You shall meet (or exceed) and maintain the highest health standards and ratings applicable to the operation of your Institute. You shall furnish to us, within five (5) days following your receipt thereof, a copy of all inspection reports, warnings, citations, certificates, or ratings resulting from inspections of your Institute conducted by any federal, state, county, local or other governmental agency, commission and/or authority.

You shall comply with our requirements and specifications concerning the quality, service, functioning and cleanliness of your Institute's premises; the programs, Courses, products and services sold, offered for sale and/or provided at the Institute; and, the operation of the Institute under the System, as those requirements may be specified by us in this Agreement, in the Brand Standards or otherwise in writing.

You shall at all times maintain your licensed Institute in the highest degree of sanitation, repair and condition.

9.07 Your Participation in the Operation of the Business; Institute Manager; Academic Director

You are not required to participate in the day-to-day operation of the licensed Business; however, you must devote your time, attention and best efforts to honestly and diligently perform your obligations under this Agreement, all ancillary documents relating to this Agreement and all other agreements which may now or hereafter be in effect between us (or any affiliate) and you (or any affiliate) and to promote the Institute. If you are licensed to operate more than one Business or Institute, then you agree to devote such amount of your time and attention to the performance of your duties as is necessary for the proper and effective operation of each such Business or Institute.

You must designate an "Institute Manager" to oversee the day-to-day operations of the Institute. If your Institute Manager is not your principal owner, then before designating and engaging the services of the Institute Manager, you must identify such individual to us; however, we need not approve of your Institute Manager. The Institute Manager must attend and successfully complete our Initial Training Program. In addition, the proposed Institute Manager must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your licensed Business in accordance with the criteria set forth in our Brand Standards.

You must also designate an "Academic Director" to oversee the (i) coordination, administration and quality of the Institute's educational program and (ii) quality and professional development of the Institute's teaching personnel. If your Academic Director is not your principal owner, then before designating and engaging the services of the Academic Director, you must identify such individual to us; however, we need not approve of your Academic Director. The Academic Director must attend and successfully complete our Initial Training Program. In addition, the proposed Academic Director must (in accordance with the criteria set forth in our Brand Standards) demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to oversee the (i) coordination, administration and quality of the Institute's educational program and (ii) quality and professional development of the Institute's teaching personnel.

Upon the death, disability or termination of employment of your Institute Manager, for any cause or reason, you must immediately notify us. You must designate a successor or acting Institute Manager promptly and, in any event, no later than ten (10) days following the death, disability or termination of the predecessor Institute Manager. The above protocols and procedures governing your proposal and our approval of your initial Institute Manager shall apply to any successor Institute Manager you may propose. Any successor Institute Manager must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor Institute Manager will constitute a material breach of this Agreement.

9.08 Requirements Concerning Programs, Courses, Products and Services

A. Programs, Courses Products and Services You Offer and Sell

You may, upon our prior written consent, offer and sell all or any subset of the programs, Courses products and services which are part of the System and all or any subset of the other programs, Courses, products and services which we in the future incorporate into the System unless, as to any one or more items, sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, Courses, products, or services. Notwithstanding the foregoing, you must (during each calendar year) offer and provide our Course for the Advanced Diploma in Music Production and Sound Engineering.

You may not sell any program, Course, product or service which is not a part of the System or which we delete from the System unless we agree in writing otherwise in each instance. In addition, you must at all times refrain from offering and/or selling any Courses, products, services and/or programs that we designate as prohibited. If you wish to purchase or license from a third-party intellectual property rights or rights to other training courses that are not part of the System, you must first obtain our written consent which we may withhold in our business judgment. If we approve your request to purchase or license from a third-party any intellectual property rights or other rights to training programs, courses or elements thereof, then you may offer those training programs, courses or elements thereof (as applicable) under the Proprietary Marks at your Institute, on such terms which you present to us in writing in advance and as we consider appropriate in our business judgment. You agree to permanently and irrevocably assign to us, in perpetuity throughout the world, any intellectual property developed or acquired (and thereby exclusively owned by you) when you purchase or license such third-party intellectual property rights or training courses as set forth in Section 9.12 below. If the intellectual property or training course, program or element thereof that we permit you to purchase or license from a third-party is not exclusively owned by you, then you agree to negotiate with the third-party in good faith our right to exploit such intellectual property rights and/or training courses on a royalty-free, worldwide, perpetual basis, in all formats and media existing or later developed. You understand, acknowledge and agree that we have the right to specify the number of Courses that you may and/or must offer each year, as well as the number of students that may or must enroll in each course. Throughout the term of this Agreement, (a) you must offer, at a minimum, the required Courses listed on Exhibit M attached hereto unless we provide our written consent otherwise; (b) you must proceed with at least two (2) intakes of each Main Course per calendar year at your licensed Institute; (c) you must have at least five (5) registered students in order to commence each Main Course intake; (d) you must use best efforts to reach the maximum number of adequately qualified (based on factors such as ability pay Course fees, experience, skill level, base knowledge, ability and potential) Main Course participants for each of these intakes; and (e) you must progressively and continuously increase, on a yearly basis, the number of Course participants (students) in each Main Course intake of your licensed Institute; with the understanding that you must meet the agreed upon student maximum for your Institute by the end of the Institute's fifth (5th) year of operations.

You must maintain in sufficient supply products, materials, equipment, supplies and paper goods as conform to our then-current written standards and specifications (as set forth in the Brand Standards or otherwise) and must refrain from deviating therefrom by the use of any non-conforming items without our prior written consent. Your Institute must perform all programs, Courses and services utilizing such standards, procedures and techniques as we specify and must refrain from any deviation from our standards and specifications without our prior written consent.

If you desire to offer or sell any program, Course, product, or service which is not a part of the System, then you must obtain our advance written permission, which we may deny for any or no reason. If we grant such advance written approval, then the program, Course, product or service in question will become a part of the System; we may, but will not be required to, authorize the program, Course, product or service for sale at one or more other Institutes; we may subsequently revoke our approval for any or no reason; we will own all rights associated with the program, Course, product, or service; and, you will not be entitled to any compensation therefor.

B. Proprietary Programs, Products and Services

You must purchase or lease any proprietary and/or private label branded programs, products, systems, methods, platforms, supplies, equipment, materials or services used in conjunction with, offered or sold at the Institute which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our affiliates, only from us, an affiliate of ours that we designate or an independent distributor whom we authorize. We impose this requirement to advance uniformity of the Abbey Road Institute concept and quality and to protect our trade secrets, which are of the essence to the System and this Agreement. You will be required to purchase the proprietary products from us, our affiliates and/or our designees as they are further developed, modified and/or discontinued from time to time and may be required to offer them for retail sale at your Abbey Road Institute. We (or our affiliates or designees) will sell to you all proprietary products under terms we develop and advise you of from time to time. We reserve the right to earn a profit on the sale of proprietary products to you.

C. Sources of Supply and Specifications

You must purchase certain required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services, and comply with all specifications for same, from suppliers we designate in writing; from suppliers you propose and we approve; and/or, in accordance with our written specifications. Such standards and specifications may be specific as to brand name, item/model/catalog number, preparation or manufacturing facility, or other factors we consider relevant. All such designated sources must demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; that they possess adequate quality controls and capacities to supply your (and other Institutes') needs promptly and reliably; and, must be approved in writing by us (and have not thereafter been disapproved) prior to any purchases by you from any such supplier. All such designated sources and specifications are subject to addition, modification, revocation and/or deletion by us from time to time upon notice given to you. If we revoke or delete any product, supply, equipment, component or approved supplier, then you must cease using any such disapproved item or supplier (or any items purchased from a revoked source of supply) which are inventoried by your Institute within ten days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

We may from time to time provide you with specifications governing the minimum standards of programs, products, services and/or equipment required to be used in or sold by your Institute, for which we do not designate a required source of supply. We will set forth such specifications in our Brand Standards or in other written or electronic notices we transmit to you. We may add to, modify or revoke our specifications in writing from time to time.

You may propose a new or substitute supplier in accordance with the following procedure:

1. You must submit a written request to us for approval of the supplier and then furnish us with the information, data and samples that we reasonably request;

2. The supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications;

3. We or our agents must have the right, and must be permitted, to inspect the proposed supplier's facilities and to have samples from the supplier delivered either to us, an independent laboratory or another designee for testing, all at your and/or the proposed supplier's expense;

4. The proposed supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business community in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish you (and other Institutes) with the subject program, product, supply, equipment, material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion; and,

5. We may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing

inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs.

6. If we elect to evaluate the proposed supplier, you agree to reimburse us for any and all costs and expenses we incur in connection with such evaluation.

Nothing in the foregoing shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential.

We, our affiliate or our designee may be an approved source of supply for any such non-proprietary program, product, supply, equipment, material or service that you are required to purchase. However, you will not be obligated to purchase any such non-proprietary items solely from us or our affiliate. We will determine the prices we charge for any such item and will notify you of such prices at the time of sale, in our Brand Standards or otherwise. We reserve the right to earn a profit from selling any and all such non-proprietary items to you and other Abbey Road Institute licensees.

D. Systemwide Supply Contracts

We may, in the exercise of our business judgment, enter into supply contracts either for all Institutes or a subset of Institutes situated within one or more geographic regions (each, a "systemwide supply contract"). We may enter in such systemwide supply contracts with one or more vendors for programs, products, supplies, equipment, materials and services that all company-owned and licensed Institutes in the United States, or company-owned and licensed Institutes in a designated geographic area, will be required to participate in, purchase from, use and/or sell. If we do so, then immediately upon notification, you, we and all other Institutes (or, as applicable, those in the designated geographic area) must, as applicable, purchase from, participate in, use and/or sell the specified program, product, supply, equipment, material or service only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the item in question, then your obligation to purchase from our designated supplier under the systemwide supply contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract. For the avoidance of doubt but without limitation, our right to enter into systemwide supply contracts and to require your participation with same specifically includes third-party delivery vendor(s) (to the extent we permit you to offer delivery from your Institute). By way of example only, if we enter into one or more systemwide supply contracts with third-party delivery vendor(s), we may require you to offer delivery through such vendor(s) and to execute any contracts with us and/or such vendor(s) as we and/or such vendor(s) then require.

We make no representation that we will enter into any systemwide supply contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same programs, products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue systemwide supply contracts or exclusive supply arrangements in the exercise of our business judgment.

E. Technology Requirements

You understand and agree that it is vital for the System to feature state-of-the-art digital, e-commerce and other modern capabilities, platforms, "apps" and other now or hereafter developed infrastructure, tools, systems and analytics, and that these capabilities are constantly evolving and require continued focus, investment and innovation, all of which may trigger your need to comply with all current and any hereafter developed hardware and software purchase and utilization requirements we impose, as provided hereafter.

You must purchase, utilize, maintain, retire, upgrade and replace the technology (including, without limitation, the Computer and Point of Sale System) serving your licensed Business as and when we require in the Brand Standards or otherwise in writing. Before the opening of the licensed Business, you agree to procure and install, at your expense, student computer workstations, mixing consoles, microphone, loudspeakers, musical instrument, dynamic and signal hardware processors, DAW (digital audio workstations), other music production software and plug-ins, wired and/or wireless Internet connections and service, required dedicated telephone and power lines, “smart phone” automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment that we specify in our Brand Standards or otherwise (the “Computer and Point of Sale System”). Your Computer and Point of Sale System will also include the hardware you are required to purchase for your student and studio computer workstations, which shall each have an estimated life span of at least seven (7) to eight (8) years. You agree to obtain and maintain high-speed broadband communications access or other high-speed capacity that we require for your Computer and Point of Sale System. You also agree to maintain at all times a functioning e-mail address for your Business and such wi-fi service for your customers as we may designate in the Brand Standards.

You agree to provide all assistance we require to bring your Computer and Point of Sale System online with our computers at the earliest possible time and to maintain these connections as we require. You agree to input and maintain in your Computer and Point of Sale System all data and information which we prescribe in our Brand Standards, in our proprietary software (if any) and its manuals, and otherwise. We must have independent, direct and real-time access to your Computer and Point of Sale System and we may retrieve from your Computer and Point of Sale System, at any time, all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record and provide through the Computer and Point of Sale System all information concerning the operation of the licensed Business that we require, in the form and at the intervals that we require (including, without limitation, a record of all transactions of any kind – including cash and/or cash equivalent transactions).

You agree to use any proprietary software and software support services that, in the future, either we develop and provide or which are provided on our behalf by a third party supplier we designate, and you will execute any standard form software license agreement reasonably necessary to do so. You agree to purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them systemwide, at the prices and on the terms that we or such third party vendor establish, but you will not be required to do so more than once in any calendar year. If we or our affiliate(s) license software to you, you agree to execute our form of Software License Agreement, substantially in the form attached hereto as Exhibit D.

You agree, at your expense, to keep your Computer and Point of Sale System (including your student and recording studio computer workstations) in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you agree to install at your own expense the additions, modifications, substitutions and/or replacements to your computer and Point of Sale hardware, software, telephone and power lines and other computer and Point of Sale facilities as we direct, on the dates and within the times we specify in our Brand Standards or otherwise.

You understand and agree that modes of computerization and communication are rapidly evolving and that, accordingly, we may require you at your expense to purchase, install and utilize at your licensed Business and Institute such hereafter developed or modified modes of computerization, hardware, software, equipment, accessories, facilities, capabilities, communication, media and/or interfaces as we, in our sole business judgment, determine to incorporate into the System. You shall do so at such time and in such manner as we designate, in our Brand Standards or other written notices. You may be required to purchase such newly developed modes of computerization, as well as improvements to or modifications of your computer and point-of-sale systems, from us or our affiliates and, in connection therewith, enter into related license and support agreements requiring you to pay us and/or our affiliates standard support and maintenance fees. We reserve the right to state license, support, maintenance and other technology fees separately or in the aggregate and to change the basis of the allocation of any fees from time to time to reflect: (i) any increase or decrease in the costs and expenses providing the applicable services, or (ii) any change in the competitive needs of the System, including the right to change the basis for charging such fees, so long as the charges are computed on a fair and consistent basis among similarly situated System Institutes receiving the services for utilizing the applicable systems.

You agree, at your expense, to keep your licensed Business' computer systems and any other technology systems current, supported, and in good maintenance and repair.

Upon termination or expiration of this Agreement, you must return or transfer all software, disks, tapes and other magnetic storage media, as well as all data, software licenses, software or hardware access passwords and codes used in conjunction with your operation of your licensed Institutes to us in good condition, allowing for normal wear and tear.

You will provide to us all user ID's and passwords required to access files and other information stored on your licensed Business's Computer and Point of Sale System. You will at all times ensure that the only personnel conducting transactions on your computer or Point of Sale systems will be those who have been trained and qualified in accordance with the requirements of our Brand Standards.

9.09 Web Sites/Social Media

We will design a website / subdomain, for the promotion of your licensed Business that will be accessible through one or more uniform resource locators ("URL's"). In our business judgment, we may own and we reserve the right to exercise controls over such website / subdomain in the event of your mishandling of such website / subdomain. The website / subdomain for your Institute will include information we or our affiliate may populate from our corporate website as well as template pages that you must customize to reflect the information specific to your Institute (such as, the Institute's address, contact information, curriculum, staff members, teachers, etc.). Throughout the Initial Term and any Successor Term, you agree to maintain the website / subdomain for your Institute, updating when necessary, any information that may be out of date, and regularly uploading photos and creating relevant and high quality blog, video and audio content. Your customization and maintenance of your Institute's website must be conducted in strict accordance with our Brand Standards. Any websites or other modes of electric commerce that we design, establish or maintain (including the website or webpage for your Institute) may – in addition to advertising and promoting the programs, products, Courses or services available at your Institute – also be devoted in part to offering Business licenses for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve (as provided in Section 3.03 above).

If you wish to create a social media page or profile for your Institute on a social media platform such as Facebook, Snapchat, Instagram, TikTok or Twitter, you must first obtain our prior written consent (which we may withhold in our business judgment). If we approve your request to create a social media page or profile for your Institute on a specific social media platform, that our consent is limited to that particular social media platform and is subject to our ongoing right to withdraw our consent. You acknowledge and understand that our consent is not a blanket authorization for you to create a page or profile on any social media platform. As such, you expressly agree that you must obtain our prior written consent for each social media platform that you wish to create a page or profile to promote your Institute. You acknowledge that any content posted to any such approved page or profile must strictly comply with our Brand Standards and social media policy, and you agree to immediately remove any content that we, in our business judgment, deem to be in violation of our Brand Standards or social media policy.. You also agree, upon our request, to provide us with the login id and passwords for each social media page and profile that you create to promote your Institute. You further agree that we shall have the right to use such login credentials to remove any content that we requested that you delete but which you failed to remove.

As between the parties hereto, we alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Abbey Road Institute website / subdomain (including, the website / subdomain for your Institute) and any social media page(s) we or you establish and maintain regarding Abbey Road Institute, including any and all material you may post as provided above. We shall also be the sole owner of the copyrights to all material which appear on any social media page or profile that you create for your Institute. Ownership of the (i) URL (uniform resource locator) and other identifiers associated with any such web site and (ii) handle, vanity URL or other identifiers associated with any social media page or profile you create and maintain for your Institute shall vest exclusively in us. You agree to permanently and irrevocably assign to us, in perpetuity throughout the world, any and all rights and interests to such social media pages and profiles upon our request.

We may establish an intranet through which downloads of operations and marketing materials, exchanges of licensee e-mail or other electronic messages, System discussion forums and systemwide communications (among other activities) can be effected.

9.10 Indemnification

You agree that you will, at your sole cost, at all times defend and hold harmless us, any affiliate of ours, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (we and all others referenced above being the "Licensor Parties"), and indemnify and hold harmless us and the Licensor Parties to the fullest extent permitted by law, against all claims, losses, liabilities and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, 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 related in any way to any element of your entry into this Agreement; your establishment, construction, ownership, opening and operation of your Institute and licensed Business, including any other business operating within or in relation to the Institute (which other business, if any, shall be subsumed within this paragraph's references to the Institute) and further including (without limitation) any personal, bodily or mental injury, death, property damage or loss, suffered by any student, Key Personnel, Institute Manager, Teaching Personnel, visitor, manager, operator, supplier, employee or guest of the licensed Institute or Business; crimes committed on or near any of the premises or facilities of your licensed Business or vehicles used by your licensed Business; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Institute, whether or not any of the foregoing was approved by us; defects in any Institute you construct and/or operate, whether or not discoverable by you or by us; product recalls resulting from or related to your acts, errors or omissions; all acts, errors, neglects or omissions of you or the licensed Business and/or the owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you and/or the licensed Business and/or the Location (or any third party acting on your behalf or at your direction), whether in connection with the licensed Business, the Location or otherwise, including (without limitation) any property damage, injury or death suffered or caused by any vehicle serving your licensed Business; any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co-employer of you and/or your employees; third party claims against us arising from or related to your breach of the terms, restrictions and requirements of this Agreement (including, without limitation, your unauthorized use of the Proprietary Marks, violation of any applicable laws, codes, rules or regulations or failure to comply with Privacy Laws); your violation of Privacy Laws; all liabilities arising from your offer, sale and/or delivery of programs, Courses, products and/or services as contemplated by this Agreement; your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or the licensed Institute or Business; all activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 15.02) of any interest whatsoever in you or the licensed Institute or Business (or any entity which controls (as defined in Section 15.02) you or the licensed Institute or Business); and, any action by any customer of yours or visitor to your Institute or any other facility operated in conjunction with your licensed Business (collectively, an "Indemnification Claim").

As used above, the phrase “claims, losses, liabilities and costs” includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys’ and experts’ fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Licensor Parties’ attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Licensor Parties’ gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any suit, judicial or administrative investigation, proceeding, claim, demand, inquiry or any other event that could be the basis for an Indemnification Claim within three days of your actual or constructive knowledge of it. At our election, you will also defend us and the other Licensor Parties (including us) against the Indemnification Claim. If you or any of your affiliates and the Indemnitees (or any one of them) are named as co-defendants, and there is a conflict of interest between them such that they cannot be represented by common counsel, then the Indemnitees may retain separate counsel at your expense and you will promptly reimburse the Indemnitees for all costs and attorneys’ fees incurred upon request and as they are incurred. We will have the right, at your cost, to control the defense of any Indemnification Claim (including the right to select its counsel or defend or settle any Indemnification Claim at your sole expense) if we determine that such Indemnification Claim may directly or indirectly affect the interests of any of the Licensor Parties (including us). Or undertaking of defense and/or settlement will in no way diminish your obligation to indemnify the Licensor Parties and hold them harmless.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to any Indemnification Claim if, in our sole judgment, there are reasonable grounds to do so. You will not settle or compromise any legal action in which any Indemnitee is a defendant without our prior written consent, which we may grant or withhold in our business judgment. None of the Licensor Parties (including us) shall be required to seek recovery from third parties or otherwise mitigate their losses to claim indemnification from you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable from you by any of the Licensor Parties (including us). The indemnification obligations of this Section 9.10 will survive the expiration or sooner termination of this Agreement.

9.11 Inspection

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may enter your Institute and any premises of your licensed Business, and/or visit any locations at which you have provided or are providing products, Courses, programs, or services to customers or at which you maintain business records, and inspect and audit the products, programs, Courses, and services provided from or at such locations; the products and supplies contained at such locations and their condition; confer with your employees, Teaching Personnel, students and other customers concerning your compliance with the System standards; and, assess your operating systems and compliance with this Agreement and the System standards. We may conduct such inspections with or without prior notice to you. You shall cooperate with our representatives conducting such inspections by rendering any assistance they may reasonably request. Following any such inspection, you shall take such steps as are necessary to incorporate into your Institute and your licensed Business operations any reasonable corrections and modifications we require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

9.12 Intellectual Property You Develop

You hereby permanently and irrevocably assign to us, in perpetuity throughout the world, any and all rights and interests (including intellectual property rights and interests) to 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 licensed Business or Institute: all programs, Course, products or services; all teaching methods and education services related to the Business, Courses and/or the Institute; all variations, modifications and/or improvements on programs, Course, products or services; your means, manner and style of offering and selling programs, Course, products and services; management techniques or protocols you may develop (or have developed on your behalf); all layout schematics and design elements; 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 licensed Business. Except to the extent prohibited by applicable law, codes, rules or regulations, you waive, and will cause each of your employees or independent contractors who contributed to System modifications and/or improvements to waive, all “moral rights of authors” or any similar rights in such modifications and/or improvements. We may authorize ourselves, our affiliates and/or other licensed Businesses to use and exploit any such rights which are assigned to us hereunder. The sole consideration for your assignment to us of all of the foregoing rights shall be our grant of the license conferred upon you by this Agreement.

9.13 Adequate Reserves and Working Capital

We reserve the right to require, in our business judgment, that you meet certain financial requirements, which may include the requirement to maintain (i) a minimum working capital reserve, (ii) a minimum debt service coverage ratio, (iii) a maximum amount of incurred debt, (iv) a minimum balance in the bank account utilized to make payments to us; and (v) any other reasonable financial health metrics required by us. We will provide such requirements to you in writing and they will become effective thirty (30) days after we provide written notice of such requirement(s) to you. Without limiting the foregoing, you must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the licensed Business for at least three months. These reserves may be in the form of cash deposits or lines of credit.

9.14 Credit Cards and Other Modes of Payment

You agree to become and remain a merchant for any credit cards and/or debit cards, and any credit and/or debit card processor(s), which we may specify in our Brand Standards or otherwise. Further, you agree to maintain the creditworthiness required of each of these credit card or debit card issuers; to honor these cards for credit purposes; and, to abide by all related regulations and procedures that we and/or the credit card and/or debit card issuer prescribes.

In addition, you agree that, at your sole expense, you shall at our direction and by the time we specify purchase, install and utilize such equipment, facilities and personnel necessary to enable now or hereafter developed alternative modes of customer payments (beyond cash, credit cards and debit cards). Such alternative modes of payment may include, by way of examples only, “smart phone” payment transactions and automated “smart phone” (or other) customer purchase tracking / payment transactions.

You must at all times undertake all reasonable measures to anticipate, detect and prevent fraudulent credit or debit transactions.

9.15 Compliance with Security Protocols

You agree to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit card information, is at all times kept secure in a manner which is in compliance with all legal requirements and, particularly, with all security requirements of the issuing credit card companies. You further agree to hold us and the other Licensor Parties (as defined in Section 9.10) harmless from any and all claims and liabilities related to same. In addition, at your cost, you agree to provide us with a written report of verification from a specialist approved by us confirming compliance with the obligations imposed by this Section 9.15 and any other proof of such compliance that we may reasonably require.

9.16 Hours of Operation

You agree to continuously operate your licensed Institute on the days and during the minimum hours that we from time to time may specify in our Brand Standards or otherwise. You may establish hours of operation in addition to the required minimum hours, subject to applicable laws, rules or regulations.

9.17 Business Entity Requirements and Records

If you are a corporation, limited liability company, limited partnership or any other type of business entity, you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

A. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in a form annexed hereto as Exhibit K; any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of your officers, directors and managers (as applicable).

B. Unless we otherwise consent in writing, your business entity's formation and governing documents must provide that its activities will be confined exclusively to the operation of the licensed Business.

C. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

D. All of your business entity's organizational documents (including any partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any Interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a licensed Business pursuant to one or more license agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of License Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the Abbey Road License Agreement, the parties hereto agree that the provisions of such License Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the License Agreement."

E. You will maintain stop instructions against the transfer on your business entity's corporate records of any securities or other ownership interests, and will not issue securities or other evidence of ownership without the following legend printed legibly and conspicuously on the face of the security or other evidence of ownership:

> "The transfer of this certificate and the interests it represents are subject to the terms and conditions of one or more License Agreements with Abbey Road Institute, LLC, and to the restrictive provisions of the organizational documents of the issuer. Please refer to those documents for the terms of the restrictions."

F. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

G. You represent and warrant that your business entity (the Licensee) does currently and will at all times have sufficient finances to discharge its obligations under Licensee's business plan for the Business.

9.18 Staffing and Training

You agree to staff your licensed Business in accordance with the specifications and criteria we set forth in our Brand Standards. You agree to maintain a competent, conscientious, trained staff in sufficient numbers necessary to promptly, efficiently and effectively service students and other customers. You shall take such steps as are necessary to ensure that your employees preserve good customer relations. You understand, agree, and will never contend otherwise, that any minimum staffing levels we prescribe in our Brand Standards do not reflect our ability to in any fashion control the day-to-day operation of your licensed Business and its Institute but, to the contrary, merely reflect those staffing levels necessary to achieve and maintain those standards of quality, uniformity and service which the consuming public has come to associate with the Proprietary Marks and Abbey Road Institutes.

To impart to your management and employees the latest procedures, techniques, policies and standards of the System, you agree to conduct the in-house meetings, training sessions, electronic training programs or other programs that we may specify in our Brand Standards or otherwise or as you – using your reasonable business judgment – determine are necessary, appropriate or desirable, using any material and programs we may provide for this purpose.

9.19 Testimonials and Endorsements

You agree to permit us (or any of our authorized agents or representatives) to communicate in any manner with your Institute's students and teachers to procure testimonials and endorsements of the programs, Courses, products or services furnished by your licensed Business and any related programs, Courses, products or services. You agree to cooperate with us in procuring testimonials and endorsements. You agree that we will be free to make whatever use of testimonials and endorsements that we determine, and that we will owe you absolutely no direct or indirect compensation or other duty as a consequence of our use.

9.20 Trade Accounts

You agree to maintain your trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not maintain your trade accounts in a current fashion, we may pay any or all of the accounts on your behalf, but we will have no obligation to do so. If we pay any accounts on your behalf, then you agree to immediately repay us as provided by Section 5.05(E). If you do not keep your trade accounts current or make immediate repayment to us, this will be a material breach of this Agreement entitling us to terminate this Agreement following our giving you notice and an opportunity to cure your breach.

9.21 No Conflicting Agreements

During the Term of this Agreement, you may not be party to any contract, agreement, business entity formation or governance document, mortgage, lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

9.22 Taxes

You shall promptly pay when due all taxes levied or assessed upon your licensed Business including, without limitation, all employment, workers' compensation and sales taxes. In the event you have any *bona fide* dispute as to your liability for taxes assessed, you may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law.

However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the premises of your licensed Business, your Institute or any improvements thereon.

9.23 Withholding Taxes

It is the intention of the parties that all payments due to us and our affiliates under this Agreement are to be increased to the extent necessary to provide us (and our affiliates) with the same net amount we and our affiliates would have received had no tax, deduction, offset or withholding been applicable to the payments. You therefore agree to make all payments under this Agreement (including, without limitation, the Initial License Fee, Advisory Fee, Student Royalties, and payments to us or our affiliates for any products, programs, Courses and services) free and clear of any tax, deduction, offset or withholding of any kind and to bear all taxes and penalties which may be levied in the Territory (or in the nation in which the territory is located) on any payments you make under this Agreement. If you (or any other person) is required by law to make any deduction or withholding on account of any tax, assessment, duty or levy charged against any payments you make under this Agreement, then you agree to pay the tax, assessment, duty or levy before the date on which a penalty for nonpayment or late payment attaches, and to furnish to us evidence that you have done so.

If the liability to pay the tax, assessment, duty or levy is imposed on you, you agree to make the payment for your own account and if the liability to pay the tax, assessment, duty or levy is imposed on us (or our affiliate), you agree to make the payment on our behalf and in our name (or, if applicable, on behalf and in the name of our affiliate). You agree to increase the payment for which the relevant deduction, withholding or payment (including any penalties) is required to the extent necessary to ensure that, after making the deduction, withholding or payment of the tax, assessment, duty or levy, we receive (or our affiliate receives) on the due date, and retains, free from any liability for the deduction, withholding or payment, a net sum equal to what we (or our affiliate) would have received and retained had no such deduction, withholding or payment been required or made. You agree to immediately furnish to us (or our affiliate) a certified receipt of the payment of any such deduction, withholding or payment.

9.24 Government Actions

You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of your licensed Business.

9.25 Privacy and Data Protection

You will: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual ("Personal Information") in any way, including, but not limited to, national and state data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules ("Privacy Laws"); (ii) employ administrative, physical, technical and organizational safeguards that: (a) are designed to prevent the unauthorized collection, access, use and disclosure of Personal Information ("Safeguards"); and (b) meet or exceed industry standards regarding Safeguards, including payment card industry ("PCI") standards, norms, requirements and protocols to the extent applicable; (iv) comply with all Safeguards that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us to breach any Privacy Laws; and (iv) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws. You are solely responsible for educating yourself as to these regulations and standards and for achieving and maintaining applicable compliance certifications.

You will be fully responsible for any unauthorized collection, access, use and/or disclosure of Personal Information arising from your action or inaction. You further agree that the indemnification of us and the other Licensor Parties specifically embraces all claims and liabilities sought to be imposed against us arising from or related to (directly or indirectly) your failure to comply with the provisions of this Section 9.25.

You will immediately notify us in writing of any breaches or suspected breaches of security (either electronic or physical) that may result in the unauthorized collection, access, use or disclosure of Personal Information or (ii) if you receive any oral or written notice of inquiry, investigation or review from any individual or administrative agency (such as the Federal Trade Commission or State Attorney Generals' offices or other similar agency in countries outside of the U.S.) that arises out of, relates to or affects Personal Information within your control. You will comply with our requests and make all reasonable efforts to assist us in relation to the investigation and remedy of any such breach of security and any claim, allegation, action, suit, proceeding or litigation with respect to the unauthorized access, use or disclosure of the Personal Information.

9.26 Complaints; Claims; Safety; Health and Other Violations
You must process and handle all student complaints connected with or relating to the Institute and shall, within twenty-four (24) hours, notify us by telephone and in writing of all of the following complaints: (i) safety or health violations, (ii) claims exceeding One Thousand Dollars ($1,000.00), and (iii) any other material claims against or losses suffered by you.

10. INSURANCE

10.01 Your Required Insurance Coverage

A. Within ten (10) days following our execution of this Agreement, and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times:

1. Broad form comprehensive general liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, property damage and product liability. This insurance may not have a deductible or self-insured retention of over $5,000.

B. Prior to you commencing operation of your Business (but no later than ninety (90) days before you open your Business to the general public), and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times, the following categories of insurance coverage in forms and through insurance companies satisfactory to us. You understand and agree that your Lease may require other or greater insurance coverages than those stated in this Section. Such insurance coverage must extend to and embrace your licensed Business; your licensed Institute; all activities conducted in, at or from your Business and Institute; all facilities which may be situated upon your Business's and Institute's premises; and, all activities arising from or related to the construction, operation or occupancy of your Institute and any other facilities situated on your Institute's premises. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions may be prescribed by us in our Brand Standards or otherwise in writing and, as noted below, are subject to change:

1. Fire and extended coverage insurance on your Institute and property in an amount adequate to replace them in case of an insured loss.
2. Business interruption insurance in sufficient amounts to cover your Institute's rental expenses, maintenance of competent personnel and other fixed expenses for a minimum of 120 days.
3. If any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired

vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) $1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of $2,000,000, along with a minimum limit of $3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident.

4. Workers' compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than $1,000,000 for employer's liability insurance).

5. In connection with the construction, refurbishment, renovation, remodeling or upgrading of your licensed Institute, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us.

6. Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement.

C. The insurance coverage that you acquire and maintain under this Article 9 must:

1. Name us and the other Licensor Parties identified in Section 9.10 as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for workers' compensation, employer's liability and any other employee-related insurance mandated by any federal, state or local law, rule or regulation).

2. Contain no provision which in any way limits or reduces coverage for you if there is a claim by one or more of the Licensor Parties.

3. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.

4. Contains such endorsements as we may specify from time to time in the Brand Standards.

5. Be primary to and without right of contribution from any other insurance purchased by the Licensor Parties.

6. Provide, by endorsement, that we are entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, modify, cancel, not renew or otherwise alter or amend the policy.

7. Contain a waiver of subrogation rights against us, the other Licensor Parties identified in Section 9.10 and any of our successors and/or assigns.

8. Be obtained from responsible insurance carriers acceptable to us which possess a Best's Insurance Guide rating of no less than "A+".

9. All public liability policies may be required by us to contain a provision that although we are named as an additional insured, we are nevertheless entitled to recover under said policies on any loss occasioned to us or the other Licensor Parties by reason of your negligence or that of your servants, agents or employees.

D. All liability insurance you are required to maintain will insure against our vicarious or imputed liability for actual and (unless prohibited by applicable law) punitive damages assessed against you, us and/or the other Licensor Parties.

E. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend any required insurance policy without our specific advance written consent, which may be denied for any or no reason.

F. If there is a claim by any one or more of the Licensor Parties against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section 10.01.

G. You agree that we may periodically add to, modify, substitute or delete the types and amounts of insurance coverage which you are required to maintain under this Agreement, and all features and elements thereof, by written notice to you (through a Supplement to our Brand Standards, or otherwise). Upon delivery or attempted delivery of this written notice, you agree to immediately purchase insurance conforming to any such newly established standards and limits.

10.02 Certificates of Insurance
You agree to promptly provide us with certificates of insurance evidencing the coverages required by this Agreement at least ten (10) days prior to your commencing any of the activities or operations contemplated by this Agreement and, thereafter, at least thirty (30) days prior to the expiration of any such policy. All certificates must evidence proper coverage as required by this Agreement and as we may otherwise specify in writing. Attached to each certificate shall be a copy of the endorsement amending any clause in the subject policy which relates to other insurance and confirming that all coverage is primary insurance and that our insurance (and the insurance of the other Licensor Parties identified in Section 9.10 above) is applicable only after all limits of your policy(ies) are exhausted.

You agree to renew all insurance policies and documents and to furnish renewal certificates of insurance to us before the expiration date of the expiring policy in question. We may at any time require you to forward to us full copies of all insurance policies.

10.03 Purchase of Insurance on Your Behalf
If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain on your behalf the insurance necessary to meet these standards, through agents and insurance companies that we choose. If we do this, then you must immediately pay the required premiums or reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

10.04 No Undertaking or Representation
Nothing in this Agreement may be considered our undertaking or representation that the insurance that you are required to obtain or that we may obtain for you will insure you against any or all insurable risks of loss which may arise out of or in connection with the operation of the licensed Business. We advise you to consult with your insurance agent and other risk advisors regarding any types, amounts or elements of insurance coverage beyond those specified herein which may be prudent to obtain.

10.05 Failure To Purchase Insurance or To Reimburse
If you fail to purchase or maintain any insurance required by this Agreement or you fail to reimburse us for our purchase of any required insurance on your behalf, your failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

11. ADVERTISING

11.01 Advertising Standards You Must Comply With

You may only use advertising which we have either furnished or approved in writing in advance. You agree to conduct all advertising which uses the Proprietary Marks or refers in any way to your licensed Business in a dignified manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement or liability of any type or nature accruing to you, us, your licensed Business, the System, your Institute or other Abbey Road Institute licensees or Businesses. You agree to conform all of your advertising to the standards, specifications and requirements specified in writing by us.

If we learn that you have breached these requirements, we will notify you in writing and if you do not cure the breach within three days following delivery of our notice, then we may terminate or remove any unauthorized advertising at your expense, and will also be entitled to terminate this Agreement unilaterally and immediately upon notice to you (which we may also do if your breach, by its nature, is incurable).

Under this Agreement, the term "advertising" is defined to mean any and all advertising, identification and promotional materials and programs of any type or nature whatsoever including print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and "bulletin boards"; any advertising on the internet/worldwide web; any advertising or promotion on social media; public relations and brand awareness programs; direct mail; door hangers; freestanding inserts and coupons; sponsorships; point of sale materials; press releases; business cards; displays; leaflets; telephone and computer greetings; messages and voice-mail/e-mail sent to or accessible by customers or other third parties; promotional material captured in any electronic medium; any advertising through any hereafter developed media, platforms, devices or modes of communication; and, any other material or communication which we denominate as "advertising" in our Brand Standards.

You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we furnish to you under this Agreement or advertising you have previously submitted and we have approved). Our approval of any of your proposed advertising may be withheld for any or no reason. If we do not respond within ten business days following our documented receipt of your proposed advertising material, then our approval will be deemed withheld and the proposed advertising material not approved. You acknowledge that our grant or denial of our approval of your proposed advertising will not give rise to any liability on our part and you waive any possible claims against us to the contrary.

Promptly when they become available, we shall make available to you electronic copies and templates of all of our advertising and publicity materials which are available for general use in connection with advertising the Abbey Road Institute concept and the Business, at no additional charge.

11.02 Pre-Launch Marketing and Recruitment Campaign; Ongoing Advertising and Promotion

Unless we otherwise agree in writing (in our business judgment), in the six (6) months before the scheduled opening of the licensed Business, you agree to spend at least five percent (5%) of the projected revenue (as provided by you to us based on your own independent analysis, as further described below) of your licensed Institute's first year of operations in a marketing and recruitment campaign to procure students for your Institute, and you agree to organize a series of events in connection with same, including a grand opening event (the "Pre-Launch Marketing and Recruitment Campaign"). You must conduct your Pre-Launch Marketing and Recruitment Campaign in accordance with our Brand Standards. You agree to make Pre-Launch Marketing and Recruitment Campaign expenditures using the advertising material, media, special events and other public relations activities that we require or approve, in our Brand Standards or otherwise.

After that, you agree to conduct local advertising and promotion of your Abbey Road Institute in your Territory in accordance with the following minimum annual expenditure requirements: (i) during the first year of operations of your Institute, a minimum of fifteen percent (15%) of your Business' forecasted Gross Revenues; (ii) during the second and third year of operations, a minimum of twelve percent (12%) of your Business' Gross Revenues; (iii) during the fourth year of operations, a minimum of ten percent (10%) of your Business' Gross Revenues; and, during the fifth year of operations and continuing through the remainder of the Initial Term, a minimum of eight percent (8%) of your Business' Gross Revenues. For purposes of the above, to determine your forecasted Gross Revenues for your first year of operations, you agree (within thirty (30) days following the execution of this Agreement) to furnish us with a projection of the Gross Revenues you estimate that your Business will generate during its first year of operations (the "Year 1 Forecasted Gross Revenues"). You acknowledge, understand and expressly agree that we will use your Year 1 Forecasted Gross Revenues (whether or not realized) to calculate the minimum annual expenditures that you must spend on the required local advertising and promotion you must conduct, and you agree to expend, 15% of your Year 1 Forecasted Gross Revenues on local advertising and promotion for your licensed Business.

"Local Advertising and promotion" means the local or regional advertising and promotional activities that we specify or approve in advance as provided in Section 11.01.

On or before January 15th of each year during the term of this Agreement, and at any other times that we may require, you agree to furnish to us copies of all statements, invoices and checks issued during the preceding year showing that you have spent the required amounts for local advertising. You further agree to furnish to us an accurate accounting of all expenditures for local advertising and promotion in the previous calendar year, at the same time that you submit the annual financial statements required by Section 12.01 below.

You acknowledge, understand, and agree that you may only advertise and promote your licensed Business within your designated Territory, subject to Section 11.03. If you wish to conduct an advertising campaign for your licensed Business outside the boundaries of your Territory, you must first obtain our prior written consent which we may withhold in our business judgment.

You shall immediately cease the use or display of any advertising material deemed inappropriate by us, upon receipt of a request from us to do so.

You will make commercially reasonable efforts to co-operate with us and our other licensees / other Institutes in any special advertising, promotion, sponsoring or other coordinated marketing activities, but may opt out in any instance where you have a reasonable business reason to do so.

11.03 Joint International/National Advertising Campaign

If you wish to conduct an international or national advertising campaign promoting your Institute, you must obtain our prior written consent, which we may withhold in our business judgment. If we permit you to conduct an international and/or national advertising campaign, you agree to contact our other U.S. based licensees and extend an invitation to such licensees to participate in your international and/or national advertising campaign. The U.S. licensees will be required to respond to your invitation within five (5) business days from receipt of your invitation. For each licensee who agrees to participate in your international/national advertising campaign, you agree to (i) include the address, phone number, email address and website of such licensee and (ii) display each licensee's Institute in the advertising campaign with an equal level of importance to your Institute. Each participating licensee will be required to pay an equal share of the costs of procuring, placing and paying for the joint international and/or national advertising campaign. You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we have furnished to you under this Agreement or advertising you have previously submitted and we have approved) in connection with your joint international/national advertising campaign. Our approval of any of your proposed advertising may be withheld for any or no reason as set forth in Section 11.01 above.

11.04 Business Directory Advertising

We reserve the right to require you, upon written notice from us, to list your Business in all free or paid print and/or electronic alphabetic directories (such as "White Pages") and continually in all print and/or electronic classified directories (collectively and including "White Pages," the "Business Directories"), including but not limited to Yelp, Google Maps and similar third-party business directories, serving the geographic area in which your Institute is located under headings designated by us. We may annually furnish you with demographic information and recommendations regarding which Business Directory(ies) in the geographic area in which your Institute is located you should advertise in for the coming year. You agree to procure, place and pay for all of your White Pages advertising and any Business Directories advertising we may require. We may specify the size, style and content of your Business Directories advertising and may require you to utilize the services of a classified telephone directory advertising or placement agency we designate. In lieu of individualized Business Directories advertising for your licensed Business, we may instead require you and all other Businesses situated within a geographic area served by one or more Business Directories print or electronic directories (including Businesses owned or franchised or licensed by us or our affiliates) collectively to prepare, place and equally share in the cost of combined Business Directories advertisements featuring, and treating identically, all such Businesses. Any expenditures you make for White Pages or Business Directories advertising will be in addition to, and not included in, those sums which this Agreement requires you to expend for local advertising and promotion. Additionally, we may require you to retain the services of a search engine optimization ("SEO") company to improve your website's visibility to search engines and their users. If we do so, you agree to use your best efforts to retain a reputable SEO company to enhancing your website's visibility and drive traffic to your website, at your expense.

12. RECORDS, AUDITS, REPORTING REQUIREMENTS AND PRIVACY

12.01 Financial Statements

A. No later than 30 days following the end of each calendar quarter during the Term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the licensed Business's profit and loss for the quarter and a balance sheet as of the end of the quarter. You must certify these statements to be true and correct.

B. No later than 90 days following the end of each of your fiscal years during the Term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the licensed Business's profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, prepared on a compilation basis and certified to be true and correct by you. We reserve the right to require these annual financial statements to be audited by an independent certified public accountant.

C. The financial statements required above must be prepared in accordance with United States generally accepted accounting principles, including all disclosures required under those principles.

D. No later than 30 days following your filing of the annual tax returns of the licensed business, you agree to furnish to us exact copies of the tax returns, including federal, state and any local income tax returns, together with a certificate from an independent certified public accountant that all Social Security payments, taxes and fees required to be paid by you to any governmental agency or entity have been paid, and that if you are a business entity, there is no reason to believe that your entity's status has been impaired.

E. If you do not timely furnish to us any of the financial statements or tax returns required above in this Article 12, then you agree to pay us a late charge of $50 per month that each financial statement or tax return is overdue. We may also in such circumstance elect to terminate this Agreement upon giving you notice and an opportunity to cure your default.

F. You authorize us to incorporate in our franchise/license disclosure document and/or promotional literature information derived from the above financial statements, so long as you or your Business are not individually identified.

12.02 Financial Records and Audit

A. You agree to record all Gross Revenues received by and all expenditures made by you or your licensed Business. You further agree to keep and maintain adequate records of all such Gross Revenues and expenditures and to maintain accurate books, records and tax returns, including related supporting material (such as cash receipts, and credit and charge records) for your licensed Business. We may specify, in our Brand Standards or otherwise, the forms and media that you will be required to use in recording your licensed Business' Gross Revenues and expenditures. You agree to keep and preserve for seven years (or such longer period as may be required by any law, rule or regulation) the types and classes of electronic and/or other books, records and tax returns that we specify in our Brand Standards or otherwise, along with all business, personnel, financial and operating records, in any media, relating to your licensed Business. If you do not maintain the required records, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. We and/or our agents (who may be outside accountants and auditors), designees and/or employees will have the right, at any time, with or without written notice, during normal business hours, to enter your Institute and any other offices at which the Business is administered, in a fashion calculated not to disrupt your Institute's and Business's operations, to inspect, audit and make copies of all records including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; sales and income tax returns (federal, state, foreign and, if applicable, city); and, your files relating to programs, services and products sold, business transacted and expenditures relating to the Business. These files must include (without limitation) your operating records; bookkeeping and accounting records; customer lists; customer job orders; operating records; operating reports; correspondence; general business records; your copy of the Brand Standards (as amended); invoices; payroll records; journals; ledgers; files; memoranda and other correspondence; contracts; and, all sources and supporting records used to prepare the reports and forms which you are required to submit to us under this Agreement, including the books or records of any business entity which owns the licensed Business. You agree to make any of these materials available for examination at your offices. Alternatively, we may determine to conduct any such audit either at our offices or at the office of a designee of ours and, if we do, you will be required to transmit some or all of the foregoing books and records to us or our designee. In addition to the foregoing, we may require you to scan and electronically transmit to us such volume of the above-referenced records, files and documents as will not unreasonably burden the licensed business. Your obligation to provide us with access to the above-referenced records shall survive termination or expiration of this Agreement for a period of three (3) years.

C. If an audit reveals that you understated the Gross Revenues on your monthly reports to us by any amount for any month within the period of examination, or for the entire period of examination, when compared to your actual Gross Revenues, then you agree to immediately pay us the additional amount payable as shown by the audit, plus interest calculated as provided in subsection 5.05(D). If an audit reveals that you understated the Gross Revenues on your monthly reports to us by 2% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due and interest calculated as provided in subsection 5.05(D), you agree to immediately pay us the full cost of the audit for the entire period of examination. If an audit reveals an understatement by you of 5% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due, interest calculated as provided in subsection 5.05(D) and the full cost of the audit for the entire period of examination, your understatement will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If our examination or an audit establishes a pattern of underreporting, we may require that the subsequent annual financial statements due under Section 12.01 be audited by an independent accounting firm consented to by us.

12.03 Reports on Number of Seats on Offer
You must communicate to us in writing, at least 45 days before the end of each calendar year during the term of this Agreement, the total number of student seats you will offer for each Main Course intake during the following year and you must proceed to offer at least that minimum number of seats in such following year.

At a minimum, you must (i) proceed with at least two (2) intakes of each Main Course per calendar year at your licensed Institute; and (ii) have at least five (5) registered students in order to commence each Main Course intake (collectively, the "Minimum Performance Standards"). If you fail to meet our Minimum Performance Standards for any half year period, you agree to pay a fee equal to one hundred percent (100%) of the Student Royalties payable for a Main Course Intake at the capacity of five (5) students (the "Performance Standards Fee"). We will charge you the Performance Standards Fee for the first two instances that you fail to meet our Minimum Performance Standards. If you fail to meet our Minimum Performance Standards on more than two occasions, then we reserve the right to terminate this Agreement pursuant to Section 18.02.

13. CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE

13.01 Restriction on Use of Confidential Information
You agree to use and permit the use of our Confidential Information (as defined below) solely in connection with the operation of your licensed Institute. You further agree that you will never – during the Initial Term or any Successor Term of this Agreement, or any time after this or any Successor Agreement expires or terminates, or your rights under this Agreement or any Successor Agreement are assigned or terminated – divulge or use any of our Confidential Information for the benefit of yourself, your owners (if you are a business entity) any third party (including any person, business entity or enterprise of any type or nature), nor will you directly or indirectly aid any such third party to imitate, duplicate or "reverse engineer" any of our Confidential Information.

"Confidential Information" includes (without limitation) all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by us or any of our affiliates which concerns your or our systems of operation, programs, services, Courses, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, Courses, products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; our Brand Standards (including Supplements to the Brand Standards); all specifications, procedures, systems, techniques and activities employed by us or by you in the offer and sale of programs, Courses, products and/or services at or from your licensed Business; all pricing paradigms established by us or you; all of our 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 suppliers); our specifications, and your final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Institute; the identify of, and all information relating to, the computer and POS hardware and software utilized by us and you; all information pertaining to our and/your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your licensed Business; our (and, if in the future we permit, your) internet/web protocols, procedures and content; our training and other instructional programs and materials; all elements of our recommended staffing, staff training and staff certification policies and procedures; all communications between us; additions to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which we employ now or in the future; and, all other information, knowledge and know-how which either we or our affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which you can demonstrate came to your attention before we or our affiliates disclosed it to you (unless illegally or improperly procured by you before such disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of yours.

Except as authorized in this Agreement, you agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third party individual or entity; store it in a computer or other electronic format; or, otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us such Confidential Information as we request (including customer lists and records; all training materials and other instructional content; financial and non-financial books and records; the Brand Standards; and, computer databases, software and manuals) which is then in your possession or, upon our request, destroy all or certain such Confidential Information and certify such destruction to us. It is specifically understood that all customer lists or information adduced by your licensed Business is our property, not yours, and you shall never contend otherwise.

You must only divulge such Confidential Information to your operational personnel as is necessary for each to perform his/her functions and then only on a "need to know" basis. You agree to take all necessary precautions to insure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Your agreement to procure execution of our Confidentiality/Non-Competition Agreement from certain of your owners, management and staff is set forth below in Section 13.05.

13.02 Covenants Not to Compete

You agree that (i) at any geographic location whatsoever during the Initial Term and any Successor Term of this Agreement, and (ii) within ten miles of your Location or within ten miles of any other licensed or company-owned Abbey Road Institute or Business (regardless of how established or operated) for a period two years immediately following the termination or expiration of this Agreement or any Successor Agreement for any reason, you will not directly or indirectly engage in, aid, assist, serve or participate in any other business that operates a school that provide training services, through the provision of various courses, seminars and other instructional services in the music production and audio engineering fields (a "Competitive Business"); which offers or sells similar or related programs, Courses, products or services; which engages in any of the activities which this Agreement contemplates that you will engage in; or, which offers or sells any other program, Courses, product, service or component which now or in the future is part of the System, or any confusingly similar program, Courses, product or service.

Notwithstanding the foregoing, during the Initial Term and any Successor Term of this Agreement, you are permitted to participate in seminars hosted by other music and recording schools (including, schools that we constitute a Competitive Business) for the purpose of promoting or marketing the Abbey Road Institute.

You are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, member, director, manager, officer, employee, principal, agent, advisor, consultant, lessor, sublessor or any similar capacity. In addition, you agree not to divert any business that should be handled by the licensed Business to any other person or entity. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any assistance to a Competitive Business. Nothing in this Agreement will prevent you from owning for investment purposes only up to an aggregate of 5% of the capital stock of any Competitive Business you do not control, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

Further, during the Initial Term or any Successor Term of this Agreement, and for two years following the termination or expiration of same for any reason, you agree not to sell, assign, lease, sublease or otherwise grant possession of your Institute and/or Location to any individual or entity which intends to utilize same to conduct a Competitive Business thereat (and it shall be your affirmative duty in connection with any such sale, assignment or other disposition of your Institute and/or Location to secure a written memorialization from the purchaser, assignee, lessee, sublessee or permittee that it has no intent to conduct a Competitive Business, as herein defined, following the subject transaction).

In addition, during the Initial Term and any Successor Term of this Agreement, and for two years following the termination or expiration of same for any reason, you agree not to employ or seek to employ any person in a senior managerial position (not including, your Academic Director) who is at that time or has at any time in the previous two (2) years been employed by us or our affiliates, or any licensee of us or our affiliates, or any business carried on under the Proprietary Marks or using the Abbey Road Institute concept, nor shall you otherwise directly or indirectly induce or seek to induce or solicit any such person to leave his or her employment.

In addition, during the Initial Term and any Successor Term of this Agreement, and for two years following the termination or expiration of same for any reason, you agree not to solicit students or former students, customers or former customers, of the licensed Business nor divert or seek to divert any customer from us, our affiliates, or any licensee of us or our affiliates.

It is the intention of these provisions that any person or entity within a legal or beneficial interest in or traceable to, down or through you be bound by the provisions of this covenant, including (without limitation) your spouse, brother, brother-in-law, sister, sister-in-law, parents, parents-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary of yours; and, any other related person or entity, regardless of how many levels or tiers there may be between you and the person or entity.

If you are a business entity, you agree to cause your (as applicable) owners, members, shareholders, directors, officers, partners, general partner, proprietor and or any other beneficial owner to refrain from any of the competitive activities described above in any manner which we reasonably request. In all instances, you shall also cause your Business Manager and all other key management employees of your Business to refrain of any of the competitive activities described above in any manner which we reasonably request. Your agreement to procure the execution of our Confidentiality/Non-Competition Agreement from certain such individuals is set forth below.

13.03 Lesser Included Covenants Enforceable At Law
If all or any portion of the covenants not to compete set forth in this Article 13 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency is hereby empowered to revise and/or construe the covenants to fall within permissible legal limits and should not by necessity invalidate the entire covenants. You expressly agree to be bound by any lesser covenants subsumed within the terms of this Article 13 as if the resulting covenants were separately stated in and made a part of this Agreement.

13.04 Enforcement of Covenants Not To Compete
You acknowledge that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement, and the parties agree that, notwithstanding anything to the contrary in this Agreement, we may seek and obtain injunctive or equitable relief regarding such violations from any court of competent jurisdiction in the Territory or otherwise. You expressly agree that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. Further, you expressly agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

13.05 Procurement of Additional Covenants

You agree to require and obtain the execution of our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit E from all of the following persons:

1. Before employment or any promotion, your Institute Manager, your Key Personnel, and all other senior managerial personnel; and,

2. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Confidentiality/Non-Competition Agreements no later than ten days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten days following such individual or entity's attaining such status) and shall furnish to us copies of all executed Confidentiality/Non-Competition Agreements within ten days following their execution.

You also agree to require and obtain the execution of our Confidentiality Agreement substantially in the form of Exhibit F from your Academic Director. You shall procure such Confidentiality Agreement no later than ten (10) days following such individual or entity's attaining such status and shall furnish to us copies of such executed Confidentiality Agreement within ten (10) days following their execution of it.

13.06 Your and Our Enforcement of Confidentiality/Non-Competition Agreements

You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed by any of the individuals referenced in Section 13.05, and you acknowledge our right, to be exercised as we alone determine, to ourselves and enforce the terms of any such executed Confidentiality/Non-Competition Agreement. If the substantive provisions of our Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving your licensed Business who has not executed a Confidentiality/Non-Competition Agreement, you must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

14. CONDITIONS TO AND PROCEDURES GOVERNING SUCCESSOR AGREEMENT

14.01 Conditions to Obtain a Successor License Agreement

Your right to enter into a Successor License Agreement will be conditioned on the following:

A. You must notify us in writing no more than nine months and no less than six months before the expiration of the Initial Term of this Agreement of your intent to enter into a Successor License Agreement;

B. Throughout the Initial Term and at the time of entering into a Successor License Agreement you must have performed all of your obligations and been, according to our business judgment, in compliance with the terms of this Agreement, the Brand Standards and other agreements between you and us or our affiliates;

C. At the time of entering into a Successor License Agreement, you must be current on the payment of all monetary obligations to us, our affiliates, the lessor or sublessor of your Institute and any material third party supplier of yours;

D. Following receipt of your notice to enter into a Successor License Agreement, we will have the right to inspect your Institute's equipment and software (including, your student and studio computer workstations) and require you to upgrade and/or replace such equipment or software before entering into a Successor License Agreement;

E. You or your Business Manager (as applicable) and any other management and staff we designate must attend and successfully complete any training (whether refresher training or otherwise) that we may reasonably require, at your expense;

F. You must pay us a Successor Term Fee of $38,500;

G. Throughout the Initial Term and at the time of entering into a Successor License Agreement you must have met the Minimum Performance Standards (as defined in Section 12.03).

H. You must be able to renew the lease for your Institute on terms acceptable both to you and us, or lease a substitute Location acceptable to and approved by us, without any interruption of business in compliance with the terms of Section 7.02; and,

I. You must have signed a General Release in the form of Exhibit I. This General Release will not release us from any future claims related to any Successor License Agreement but will release us from any and all claims you may have related to this Agreement.

If you have satisfied the above conditions, then we will provide you with a Successor License Agreement in the manner specified in the following section.

Notwithstanding anything to the contrary herein, if your Business is located in the State of California, we may only fail to offer you a Successor License Agreement upon providing you with at least one hundred eighty (180) days' prior written notice, and:

A. During the 180 days prior to such expiration of the license, we permit you to sell your Business to a purchaser meeting our then-current requirements for granting new licenses, or if we are not granting a significant number of new licenses, the then-current requirements for granting successor licenses; or

B. (1) Our refusal to not offer a Successor License Agreement is not for the purpose of converting the premises of your Business to an Institute operated by our employees or agents for our own account, provided that nothing in this paragraph shall prohibit us from exercising our right of first refusal to purchase your Business; and

(2) Upon expiration of the license, we agree not to seek to enforce any covenant of you not to compete with the us or our licensees; or

C. Termination is permitted under Sections 20020 or 20021 of the California Franchise Relations Act; or

D. You and we agree not to enter into a Successor License Agreement for a successor license; or

E. We withdraw from distributing our products, programs, Courses or services through licenses in the geographic market served by you, provided that:

(1) Upon expiration of the license, we agree not to seek to enforce any covenant by you not to compete with us or our licensees; and

(2) The failure to not offer a successor license is not for the purpose of converting your Business to an Institute operated by our employees or agents for our own account; and

(3) Where we determine to sell, transfer or assign our interest in a marketing premises occupied by a licensee whose is not offered a successor license pursuant to this paragraph:

(a) We, during the 180-day period after giving notice offer such licensee a right of first refusal of at least 30 days' duration of a bona fide offer, made by another to purchase our interest in such premises;

(b) In the case of the sale, transfer, or assignment to another person of our interest in one or more controlled marketing premises, such other person in good faith offers you a license on substantially the same terms and conditions currently being offered by such other person to other licensees; or

F. We and you fail to agree to changes or additions to the terms and conditions of the Successor License Agreement, if such changes or additions would result in a successor license on substantially the same terms and conditions on which we are then customarily granting successor licenses, or if we are not then granting a significant number of successor licenses, the terms and conditions on which we are then customarily granting original licenses. We may give you written notice of a date which is at least thirty (30) days from the date of such notice, on or before which a proposed written agreement of the terms and conditions of the successor license shall be accepted in writing by you. Such notice, when given not less than 180 days before the end of the license term, may state that in the event of failure of such acceptance by you, the notice shall be deemed a notice of intention not to offer a successor license at the end of the license term.

14.02 Successor Agreement Procedures

You must exercise your right under to a Successor Term in this Agreement in the following manner:

A. You must notify us in writing no more than nine months and no less than six months before the expiration of the Initial Term of this Agreement of your desire to enter into a Successor License Agreement.

B. Within thirty days after our receipt of your notice, we will deliver to you a copy of our then-current franchise/license disclosure document (if we are then legally required to do so) and a copy of your Successor License Agreement in a form ready to be executed by you (together, the "Successor License Agreement Package"). You must acknowledge receipt of the Successor License Agreement Package in any fashion that we reasonably specify.

C. No sooner than fifteen days, but no later than twenty-five days, after you receive our Successor License Agreement Package, you must execute the Successor Agreement and return it to us.

D. If you have exercised your right to a Successor License Agreement as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term you satisfy all of the conditions to such a successor agreement identified in Section 14.01 of this Agreement, then we will execute the Successor License Agreement previously executed by you and will, deliver one fully executed copy of your Successor License Agreement to you.

E. If you do not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered your conclusive election not to exercise your right to enter into a Successor License Agreement and such right will then automatically lapse and expire without further notice or action by us. If this occurs, this Agreement will terminate at the end of the Initial Term, except for the post-termination and post-expiration provisions of this Agreement which by their nature are intended to survive.

F. **Time is of the essence with regard to this Section 14.02.**

14.03 Notice of Expiration
If applicable law requires us to give you notice of expiration of this Agreement at a specified time prior to such expiration, and we have not done so, then the term of this Agreement will be extended to the date following which our notice has been given and the legally required notice period has expired.

15. ASSIGNMENT

15.01 Assignment By Us
We have the right to assign all of our rights and privileges under this Agreement to any person or business entity. If we assign this Agreement, you expressly agree that immediately upon and following such assignment, we will no longer have any obligation - - directly, indirectly or contingently - - to perform or fulfill the duties or obligations imposed upon "Licensor" hereunder. Moreover, to the extent that we have arranged for one or more of our affiliates to perform certain activities on our behalf and at our direction, as contemplated by this Agreement, our affiliates will similarly have no obligation, contingent or otherwise, to continue to perform such activities following any such assignment of this Agreement by us. Instead, all such duties and obligations will be performed solely by our assignee, and you will never assert, contend or complain otherwise.

You agree and affirm that we may undertake a refinancing, recapitalization, securitization, leveraged buyout or other economic or financial restructuring. You expressly waive any and all claims, demands or damages arising from or related to such activities.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks, including the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be immediately proximate to your Location.

15.02 Assignment By You – General
You understand and acknowledge that we have entered into this Agreement in reliance on and in consideration of your singular personal skills and qualifications (or, if you are a business entity, the personal skill and qualifications of your owners and managers), and the trust and confidence that we repose in you (or your owners and managers, if you are a business entity), and that this Agreement and the license conveyed hereunder is therefore personal to you and is your personal obligation. Accordingly, except as provided below, neither all nor any part of your interest in this Agreement; the license conveyed hereby; your rights, privileges or obligations under this Agreement; the licensed Business; your Institute; the ownership of your licensed Business; your Lease or Sublease (as applicable); or, your rights to use the System, Proprietary Marks, Confidential Information and/or Brand Standards may in whole or in part be assigned, sold, transferred, pledged, encumbered, shared, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any fashion without first obtaining our written consent in accordance with this Article 14 (which consent shall not be unreasonably withheld) and without first complying with our right of first refusal pursuant to Section 15.06 below.

Any actual or attempted assignment, transfer or sale of this Agreement, the license conveyed hereunder, the licensed Business, your licensed Institute, any ownership interest in you (if you are a business entity), any of the other interests, rights or privileges identified in the preceding paragraph, or any interest in any of these, in violation of the terms of this Article 14, will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive to the breach, will entitle us to terminate this Agreement immediately.

If you are a business entity, then for the purposes of this Agreement, "assignment" includes (without limitation) the transfer, issuance or redemption in the aggregate of more than 25% of the voting power or (as applicable) the capital stock, partnership interest, membership interest or any other species of ownership interest in you (including but not limited to any percentage sufficient to control your business entity or the licensed Business, as the term "control" is most broadly defined by any United States or state securities and/or corporate and/or partnership law) to any person or entity who is not (i) already a (as applicable) shareholder, member, partner or other category of owner of your licensed Business; (ii) the spouse of such individual; (iii) a trust controlled by such individual; or, (iv) a business entity owned, controlled and composed solely of such individuals in the same proportionate ownership interest as each such individual had in you before the assignment, as provided below. You agree to immediately report to us all such transfers or assignments of ownership in your business entity, even if less than 25%, in accordance with the procedure set forth in our Brand Standards or otherwise.

15.03 Assignment By You – To A Business Entity You Form

If you are an individual and would like to transfer your interest in this Agreement to a business entity you form solely for the convenience of business entity ownership, you must obtain our prior written consent. We will not unreasonably withhold consent if all of the following conditions are met:

A. The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as "Licensee" under this Agreement (unless we otherwise consent in writing).

B. You must be the sole owner of all ownership interests in the business entity and its principal officer or manager (as applicable) (or the sole owner of 75% or more of all ownership interests in the business entity, with the remaining owners being your spouse and/or adult children).

C. If more than two individuals serve as "Licensee" hereunder, each individual must have the same proportionate ownership interest in the business entity as he or she had in the licensed Business before the transfer.

D. You and the business entity must execute an agreement with us under which you and the business entity agree to be jointly and severally liable for all duties, responsibilities and obligations to us under this Agreement and expressly agree to be bound by all of the terms, conditions and covenants of this Agreement. Each then-current and future owner of any interest in the business entity must agree in writing to personally guarantee the performance by the business entity of your obligations under this Agreement, and to be individually bound by all of the terms and conditions of this Agreement and any other agreements between you and us, substantially in the form of Exhibit G to this Agreement.

E. Each present and future owner of any interest in the business entity must execute our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit E to this Agreement.

F. The name of the business entity formed by you may not include the Proprietary Mark "Abbey Road Institute", "Abbey Road Training Limited," "Abbey" or "Abbey Road", any variant thereof or any word confusingly similar thereto.

G. Your business entity must comply in all respects with the requirements and prohibitions set forth in Section 9.17 of this Agreement ("Business Entity Requirements and Records").

Any transfer pursuant to this Section 15.03 will not be subject to our right of first refusal below and will not require you to pay to us any transfer fee.

15.04 Assignment By You – Sale To Third Party

If we do not elect to exercise our right of first refusal (as provided in Section 15.06 below), then we will not unreasonably withhold consent to your sale, transfer or assignment of any interest in you (if you are a business entity), the license conveyed by this Agreement, your Business, your Institute, your Lease or Sublease (as applicable) and your right to use the System, or any interest in any of these, to a third party. You agree that it will not be unreasonable for us to impose, among other requirements, the following conditions to granting consent to your proposed sale, assignment or transfer of any of the foregoing:

A. That the proposed assignee (meaning all individuals and entities which, after the proposed sale, transfer or assignment, will be licensees under this Agreement or under any successor agreement) applies to us for acceptance as a licensee and demonstrates to our satisfaction that the proposed assignee (and, if it is a business entity, each and every owner and guarantor of the proposed assignee) possesses the skills, qualifications, financial condition, background and history, reputation, economic resources, education, managerial and business experience, moral character, credit rating and ability to assume your duties and obligations under this Agreement and any successor and related agreement. You must pay the costs of any such investigation conducted by us.

B. That, upon our request, the proposed assignee (or, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) presents itself for a personal interview at our corporate office, or any other location we designate, at the date and time we reasonably request, without expense to us. We may determine to meet with the proposed assignee at his, her or its principal place of business or residence and, if we do so, you will reimburse us for all travel, lodging, meals and personal expenses related to such meeting.

C. That the proposed assignee has the organizational, managerial and financial structure and resources required to conduct the licensed Business properly, taking into account such factors (among others) as the number of Institutes and market areas involved and their geographic proximity.

D. That the proposed assignee comply with our ownership requirements relative to the control of the proposed assignee and the licensed Business.

E. That the proposed assignee (and, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) comply with our restrictions relative to involvement in any business which competes with the licensed Business.

F. That the proposed assignee have those financial resources and capital to operate the licensed Business in accordance with such standards and the satisfaction of such conditions as we indicate from time to time.

G. That the proposed assignee, his, her or its proposed Key Personnel; and, such other post-transaction employees of the licensed Business attend and successfully complete our Initial Training Program before the assignment, and any other training that we reasonably require, at the assignee's expense (which will include our then-current training fee and the cost of the trainees' transportation, lodging, food and other living expenses). Each individual undergoing such training must first execute the Confidentiality/Non-Competition Agreement substantially in the form of Exhibit E. We may waive these requirements if the proposed assignee is one of our existing licensees in good standing.

H. That, if required, the lessor or sublessor of your Location consents in writing to the assignment to the proposed assignee.

I. That, as of the date of the assignment, you have cured any existing defaults under any provisions of this Agreement or any other agreement or arrangement with us or our affiliates, and have fully satisfied in all respects all of your accrued and/or then-current monetary and other obligations to us and our affiliates (under this Agreement or otherwise), all sources of financing of your licensed Business and all material sources of supply of your licensed Business.

J. That the assignee execute a new License Agreement with us, and all other agreements required of new licensees, in the form and on the terms and conditions we then offer to new licensees, which terms and conditions may vary significantly from this Agreement. The assignee will not be obligated to pay another Initial License Fee under the new Agreement but will be required to pay our then-current fees for furnishing our Initial Training Program and any other services we are required to furnish under the new Agreement. The term of the new License Agreement will be the balance of the Term of this Agreement. The execution of the new License Agreement will terminate this Agreement, except for your guarantees; any of your obligations to us or our affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, are intended to survive.

K. That the assignee has acquired, or will be able to immediately acquire following the execution of the new License Agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate the licensed Business. If applicable law enables you to transfer or assign any of the aforementioned permits, licenses and/or authorizations which you possess to the assignee, then you agree to do so immediately following our execution of the assignee's new License Agreement.

L. Notwithstanding the foregoing, you understand and agree that you will remain fully liable and responsible for all of your obligations to us and our affiliates under this Agreement which arose in connection with the operation of your licensed Business prior to the effective date of the assignee's new License Agreement (specifically including your obligation to indemnify us and the other Licensor Parties identified in Section 9.10) and you agree to execute any and all documents we reasonably request to further evidence such liability.

M. That if the proposed assignee is a business entity, we have the absolute right to require any owners or other parties having an interest in the proposed assignee or the Location to execute the Guarantee substantially in the form of Exhibit G.

N. That the Total Sales Price of your sale, assignment or transfer is not so excessive, in our business judgment, that it jeopardizes the continued economic viability and future operations of the licensed Business and/or the assignee. "Total Sales Price" means all consideration of every kind paid or payable to you or any other person or entity in connection with, arising out of or relating to the assignment or transfer of the license, the License Agreement or the licensed Business, whether money, property or other thing or service of value including consideration received for all or a part of your Business; your rights under this Agreement; contracts; goodwill; restrictive covenants; consulting arrangements; your furniture, fixtures, equipment and trade dress elements; accounts receivable; or, any other fees or arrangements or other form of consideration, whether the consideration is received in the present or promised to be given to you or any other person in the future (including the highest possible value of any contingent future consideration).

O. That you and, if you are a business entity, each of your owners and guarantors, and the assignee (and if the assignee is a business entity, each of each owners and guarantors) execute a general release substantially in the form of Exhibit J of any and all claims, demands and causes of action which you, such owners or the assignee and its owners may or might have against us and/or any of the Licensor Parties through the date of execution of the assignee's new License Agreement.

P. That if the assignee is a business entity, all of the requirements of its new License Agreement concerning business entities must be complied with before we will execute the new License Agreement and, as applicable, will continue to be complied with thereafter.

Q. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).

R. That we will have the right to inspect your Institute's equipment and software (including, your student and studio computer workstations) and that upon our request, either you and/or the proposed assignee, at your/its own expense, will upgrade and/or replace such equipment or software before entering into our then-current License Agreement or such later time reasonably specified by us.

S. That you pay us a transfer fee equal to fifty percent (50%) of our then-current Initial License Fee or such greater amount as may be necessary to reimburse us for our legal, accounting and other expenses incurred in connection with your assignment.

T. That neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with, a competitor (as denominated in Section 13.02 above) of us or any of our affiliates.

You expressly agree that your obligations to indemnify and hold harmless us and the other Licensor Parties under Section 9.10 of this Agreement extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that you may give to or receive from any proposed assignee and/or any claim that you (and, if you are a business entity, your owners, Business Manager, management or employees) or your assignee engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement.

You further understand and agree that our approval of any assignment transaction will not constitute our waiver of any claims against you by us or our affiliates, under this Agreement or otherwise.

The provisions of Section 15.02 through Section 15.04 inclusive pertain to any lease, management agreement or other agreement which would have the effect of transferring any material asset or control of all or any part of the operations of your licensed Business to any third party. Any such agreement must first be approved by us in writing. We will not unreasonably withhold our approval, but our approval may be denied if such agreement is on terms materially different from those which would result from arms-length negotiations or if we determine that the fees payable under such agreement are excessive. Any such agreement and any party thereto who, as a result of the agreement, may directly or indirectly be involved in the ownership of the assets or operations of the licensed Business must meet such standards and conditions as we have put in place at the time you request our consent.

15.05 Assignment By You – Transfer Upon Death or Disability

If you are a business entity, then upon the death or disability of one or more of your owners (but not the last surviving owner of your business entity, which is addressed in the following paragraph), then the estate, heirs, legatees, guardians or representatives of such owner may freely sell, assign or transfer the deceased's or disabled's interest in this Agreement and/or its interest in the licensed Business to any of the following: (i) the spouse of such individual; (ii) any individual or entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of your licensed Business; or, (iii) the licensed Business itself. Any other sale, transfer or assignment of the deceased's or disabled's interest in you or your licensed Business shall be subject to all of the provisions of Section 15.04 of this Agreement ("Assignment By You - -

Sale To A Third Party"). You agree to immediately report to us all such transfers or assignments of ownership in your business entity in accordance with the procedure set forth in our Brand Standards or otherwise.

Upon your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate").

The Estate shall have a reasonable period of time (not to exceed six months) following the death or disability to sell (as applicable) Licensee or the licensed Business in accordance with the provisions of Section 15.04 and subject to our right of first refusal under Section 15.06. Until such sale, transfer or assignment is consummated, the Estate may continue the operation of your licensed Business but only if, at all times, one or more approved Business Manager, as necessary, of your licensed Business is at all times supervising the operation of your Business and, further, only if all other terms and provisions of this Agreement are complied with. Failure to comply with one of the above alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately upon notice.

If at any time following your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), the Estate fails to have one or more approved Business Manager, as necessary, supervising the operation of your licensed Business on a full time basis, then until the Estate retains one or more approved Business Manager, as necessary, we may assume full control of and operate your licensed Business, but will have no obligation to do so. If we do so, then during this period, we will deduct our expenses for travel, lodging, meals and all other expenses and fees from your licensed Business's Gross Revenues and also pay ourselves a management fee equal to the greater of: (i) two times the salary paid to the individual(s) assigned by us to operate the Business, or (ii) 10% of the Business's monthly Gross Revenues. This management fee will be in addition to the Student Royalties due us under this Agreement. We will then remit any remaining funds to the Estate. The Estate and any Guarantor of this Agreement must pay us any deficiency in sums due to us under this Agreement within ten days of our notifying the Estate and such Guarantor of the deficiency. We will not be obligated to operate your Business. If we do so, we will not be responsible for any operational losses of the Business, nor will we be obligated to continue operating the Business.

"Disability" means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth in this Agreement for at least ninety consecutive days. Disability will be determined either after this ninety day period or, if we elect, at an earlier time following an examination of the person by a licensed practicing physician selected and paid for by us. If the person refuses to submit to an examination, then the person will automatically be considered permanently disabled as of the date of the refusal.

15.06 Right of First Refusal

Your rights to assign, transfer, redeem or sell any interest in this Agreement or the licensed Business, voluntarily or by operation of law (as provided above), will be subject to our right of first refusal (except in those instances specified above where no such right will pertain), which right of first refusal we may freely assign to any individual or entity. We will exercise our right of first refusal in the following manner.

A. You must deliver to us a true and complete copy of the proposed assignee's offer (the "notice") including all its terms and furnish to us any additional information concerning the proposed transaction and the proposed assignee that we reasonably request. Your submission of such information must be accompanied by the seller's representation and warranty that all of the information submitted to us is true, accurate, complete and correct in all respects and, if the seller is a business entity, you must also furnish us with an appropriate resolution of the business entity's governing body authorizing the proposed sale.

B. We shall have 60 days following our receipt of the notice (or, if we request additional information, 60 days following our receipt of the additional information) to conduct due diligence into the transaction. Our due diligence will be of the type, nature and scope customary for transactions similar to the proposed transaction at issue and, in connection with our due diligence, you agree to make available to us immediately upon demand all information, data, books, or written or electronic records which we may reasonably request and, as well, shall make available to us for inquiry each owner and Guarantor of your licensed Business, the Business Manager of your Business and any other personnel we specify. As well, all of the requirements of your proposed assignee specified above in Section 15.04 of this Agreement must be complied with.

C. Within 60 days after our receipt of your notice (or, if we request additional information, within 60 days after receipt of the additional information), we may either consent or withhold our consent to the assignment or redemption, in accordance with this Article, or at our option accept the assignment to ourselves or to our designee, on the terms and conditions specified in your notice. If we or our designee accept the assignment, we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets. Any dispute regarding the value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to you or any third party in connection with the proposed assignment shall be determined by a reputable independent appraiser we select, and you and we equally share the expense of, whose determination will be final and binding on us. You expressly understand and agree that nothing in the offer which is the subject of your notice to us may contain any provision or condition the effect of which would be to increase the cost to us, or otherwise change the economic or other terms imposed on us, as a result of our substitution for the offeror, or as a consequence of compliance with the procedures set forth herein regarding our right of first refusal.

D. If you are a business entity and a partial transfer is proposed through the assignment or redemption of more than 25% of your entity's ownership interests other than to any of your entity's co-owners, then we or our designee will have the option to purchase not only the interests being transferred but also all remaining interests, so that our resulting ownership will be 100% of your business entity. The price of these remaining interests will be proportionate to the price of the interests initially being offered.

E. Our credit will be considered at least equal to the credit of any proposed purchaser. We may substitute cash for the fair market value of any other form of payment proposed in the offer.

F. If we give notice of our exercise of our right of first refusal, closing on our purchase must occur within the later of: (i) sixty days following your receipt of our notice to you; (ii) the closing period (if any) specified in the subject offer; or, (iii) such longer period as may be necessary to conduct the due diligence provided for above.

G. If we give notice of our exercise of our right of first refusal, you agree to take all action necessary to assign your Lease with the lessor of your Location to us.

H. If we elect not to exercise our right of first refusal and we consent to the proposed assignment or redemption, then you will, subject to the provisions of this Article, be free to assign this Agreement or the licensed Business to your proposed assignee on the terms and conditions specified in the notice if you satisfy the conditions of Section 15.04 for our approval of an assignment and if you close the transaction within sixty days (or such further time as may be stipulated by law, rule or regulation). If, however, the terms specified in your notice are changed, the changed terms will be considered a new offer, and we will have an identical right of first refusal with respect to this new offer. Further, if you fail to close the assignment transaction within sixty days (or such further period of time as may be stipulated by applicable law, rule or regulation), then our right of first refusal hereunder shall be restored and we may elect to exercise same within thirty days thereafter.

I. Our election not to exercise our right of first refusal with respect to any offer will not affect our right of first refusal with respect to any later or modified offer. If we do not exercise our right of first refusal, this will not constitute approval of the proposed transferee, assignee, redemption or the transaction itself. You and any proposed assignee must comply with all the criteria and procedures for assignment of the license, the License Agreement and/or the licensed Business specified in this Article 15.

15.07 Security Interest

Without our prior written consent (which will not be unreasonably withheld, delayed or denied), you may not pledge, encumber, mortgage, hypothecate or otherwise grant any third party a security interest in this Agreement, the licensed Business, your Institute, any ownership interests in you (if you are a business entity), any ownership interests in any business entity which directly or indirectly controls you, your Lease or Sublease (as applicable) or any of the tangible assets material to the operation of your licensed business (including, without limitation, the premises of your licensed Business and your Location). We may require your compliance with any policy statement which we adopt and announce regarding such security interests. We reserve the right to review and approve the terms of any security agreement or other document granting a security interest in any of the assets or interests described in this Section 15.07, which approval shall be in writing.

15.08 Your Offer and Sale of Securities

If you are a business entity and intend to offer and sell securities of any type or nature or other ownership interests in you, the licensed Business, any owner and/or any Guarantor, then you must give us written notice at least sixty days prior to the date of commencement of any such offering. Any such offering shall be subject to our right of first refusal, as set forth above in Section 15.06, and shall comply with any written policies adopted and announced by us from time to time.

You must submit to us for our review and consent, at least thirty days prior to your filing them with any government agency or otherwise furnishing them to any third party, any and all materials required by federal and/or state law, or which you otherwise intend to utilize, for any direct or indirect offer or sale of securities or other ownership interests in you. If your offering of securities or other ownership interests will be exempt from federal and/or state filing requirements, then any materials you will use in any such exempt offering shall be submitted to us for our review and consent at least thirty days prior to their use. Our review of your offering materials and information included therein will be conducted solely for our benefit and not for the benefit or protection of any other person. All of your offering materials and documents must include legends and statements as we may specify, including legends and statements which disclaim our liability for, or involvement in, your offer and sale of securities or other ownership interests, and must advise all offerees that our review of your offering materials must not be deemed in any fashion our approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in those materials.

Your offer and sale of securities and other ownership interests is specifically embraced by your indemnification of us and the other Licensor Parties identified in Section 9.10 of this Agreement. Any other participant in your offer of securities or other ownership interests must agree to fully indemnify us in a parallel fashion in that form which we prescribe.

You must pay us a non-refundable fee of USD $10,000 or such greater amount as may be necessary to reimburse us for our reasonable costs and expenses in reviewing your proposed offering, including, without limitation, legal and accounting fees.

15.09 Bankruptcy
If you, your licensed Business or any owner of you and/or your licensed Business is the subject of any voluntary or involuntary proceeding under the U.S. Bankruptcy Code, as amended, and if this Agreement does not terminate as provided in Section 18.01 below, but, instead, is to be assumed by, or assigned to, a third party individual or entity which has made a *bona fide* offer to accept an assignment of this Agreement as contemplated by the U.S. Bankruptcy Code, then you must notify us of any such proposed assignment or assumption within five days after your receipt of such proposed assignee's offer to accept assignment or to assume your rights and obligations under this Agreement. Such notice must be given to us, in any event, no later than ten days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption.

The notice required above must contain the following: (i) the name and address of the proposed assignee; (ii) all of the terms and conditions of the proposed assignment and assumption; and, (iii) adequate assurance to be provided to us to assure the proposed assignee's future performance (as defined below) under this Agreement, including (without limitation) the assurance referred to in Section 365 of the U.S. Bankruptcy Code and the satisfaction of the preconditions to assignment set forth in Section 15.04 of this Agreement.

We will then have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed assignment and assumption, to accept an assignment of this Agreement to ourselves, our affiliate or another licensee, upon the same terms and conditions, and for the same consideration (if any), as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions or other expenses which may be saved by you as a result of our exercise of the rights and options granted to us herein. Under no circumstance shall we be liable for the payment of any brokerage commissions or other expenses as a result of our exercise of our rights and options hereunder unless we otherwise agree in writing.

"Adequate assurance of future performance", as used above, shall mean that we shall have been furnished with specific evidence that any proposed assignee of this Agreement can and will comply with all operational and other performance requirements, and with all conditions, obligations, duties, covenants and requirements of a licensee under: (i) this Agreement; (ii) the standard form License Agreement then being offered to our licensees; (iii) such other ancillary agreements as we may require; and (iv) any of our policies describing our licensees' duties, obligations, conditions, covenants or performance requirements. You understand and agree that adequate assurance of future performance shall mean that any proposed assignee must satisfy the conditions set forth in Section 15.04 above.

15.10 No Waiver of our Rights
Our consent to any sale, transfer or assignment under this Article 15 shall not constitute a waiver of any claims we may have against you, your licensed Business, any of your owners and/or any Guarantor, nor shall our consent be deemed a waiver of our right to require exact compliance with any of the terms of this Agreement by any assignee.

16. PROPRIETARY MARKS

16.01 Our Ownership of Proprietary Marks
You agree that the Proprietary Marks are our (or our affiliates') exclusive property. You assert and will in the future assert no claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of your licensed use of the Proprietary Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our affiliates in connection with the Proprietary Marks, either during or after the Term of this Agreement, and whether in the United States, any particular state, or any other jurisdiction in the world. You agree not to apply for or obtain any trademark or service mark registration of any of the Proprietary Marks or any confusingly similar marks in your own name. You agree to use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. If you are a business entity, then you agree that under no circumstance will you

incorporate any of the Proprietary Marks, any portion thereof or any name or mark derivative of or similar to the Proprietary Marks, in your business entity's name. You may never use the Proprietary Marks in connection with any other business except for the licensed Business. You agree that you will not, during or after the Term of this Agreement, impair the goodwill associated with the Proprietary Marks or in any way dispute or impugn the validity of the Proprietary Marks, our rights (or those of our affiliates) to the Proprietary Marks, or the rights of us, our affiliates, other licensees of ours or other third parties to whom we may have licensed the Proprietary Marks, whether in the United States, any particular state, or any other jurisdiction in the world.

You acknowledge that our rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our and our affiliates' rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in us as a result of their use by us, our affiliates and other authorized parties.

16.02 Limitations on Your License to Use the Proprietary Marks
Nothing in this Agreement will give you any right, title or interest in or to any of our (or our affiliates') Proprietary Marks except as a mere privilege and license, during the Term of this Agreement, to display and use the Proprietary Marks according to the limitations set forth in this Agreement, in our Brand Standards or in other written notices to you. You understand and agree that your limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Exhibit B (if we do not subsequently designate them as being withdrawn from use), together with those which we may later designate in the Brand Standards or otherwise in writing. In all instances your use of the Proprietary Marks must comply with our directions, limitations, specifications and authorized prescribed uses. You expressly understand and agree that you are bound not to represent in any manner that you have acquired, and you will not assert any claim to, any ownership, goodwill, reputation or equitable rights in any of our Proprietary Marks by virtue of the limited license granted under this Agreement, by virtue of your use of any of the Proprietary Marks or otherwise. All of your uses of the Proprietary Marks, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Proprietary Marks or operation of the licensed Business or your Institute, including any "local goodwill", which, you expressly agree, exclusively vests in us.

16.03 Use and Display of Proprietary Marks
A. You must not use, and must not permit or cause another to use, the Proprietary Marks except in the manner and to the extent specifically licensed to you under this Agreement. You agree that each use you make of any Proprietary Mark will accurately portray the Mark and that the Mark will not be used or portrayed in a manner which jeopardizes the goodwill associated with the Mark or the System. You agree to use the Proprietary Marks in full compliance with rules we prescribe from time to time in our Brand Standards or otherwise. You are prohibited (except as expressly provided in this Agreement) from using any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by us to you). You may not use any Proprietary Mark in connection with the sale of any unauthorized service, Course, product or program or in any other manner not explicitly authorized in writing by us. You may use the Proprietary Marks only for the operation of the licensed Business or in permitted advertising for the licensed Business. Your right to use the Proprietary Marks is limited to the uses authorized under this Agreement. Any unauthorized use of the Proprietary Marks by you will constitute an infringement of our rights and a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. You may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with this Agreement's and our Brand Standards' instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

C. You agree to affix our Proprietary Marks on the facilities of your licensed Business, including your Institute, your licensed Business's point-of-sale materials, signs, stationery, advertising, sales, marketing and promotional materials and other objects in the size, color, lettering style and fashion and at the places which we designate in our Brand Standards or otherwise. You also agree to display the Proprietary Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Brand Standards. No trademarks, logotypes, names, symbols or service marks other than the Proprietary Marks may be used by or in connection with your licensed Business in any fashion whatsoever except as we may expressly provide in our Brand Standards or as we may approve in writing.

16.04 Required Means of Identification; Non-Use of Trade Name

You must operate and advertise your licensed business under the assumed business name "Abbey Road Institute," without prefix or suffix unless we specify one to you. You agree, at your expense, to perform all filings and procure all required or necessary government approvals or registrations required to do business under that assumed business name; to comply with any instructions we give you regarding the filing or maintenance of any trade name or fictitious business name registrations; to execute any documents we or our counsel deem necessary to protect the Proprietary Marks to maintain their continued validity and enforceability; and, upon request, to furnish to us copies of all such filings, approvals and registrations. You must never identify yourself as an agent of ours. You must conspicuously identify yourself, your licensed Business and your Institute as an independently owned and operated licensed business in all dealings with your customers, contractors, suppliers, public officials and members of the public, and in all advertising, promotion and marketing related to your Business. You agree to place this notice of independent ownership in your Institute and any other facilities of your licensed Business and on printed materials, business cards, stationery, marketing and advertising materials, signs and other written or electronic modes in the form, size and manner we specify in our Brand Standards or otherwise and in such fashion as we require from time to time.

If you are a business entity, you may not use our Proprietary Marks, any portion or segment of our Proprietary Marks or any confusingly similar words or symbols in your business entity's name. In particular, you may not use the words "Abbey Road," "Abbey," "Abbey Road Training Limited," "Abbey Road Institute" or any segment or variant thereof as part of your business entity's name.

You shall require all of your advertising, promotional materials, signs, decorations, paper goods (including without limitation all forms and stationery used in or by your licensed Business), and all other items we may designate, to feature and bear the Proprietary Marks in the form, color, location and manner we prescribe.

16.05 Our Defense of Proprietary Marks and Copyrights

If you receive notice, are informed of or learn of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or any of our copyrights (each, a "claim"), you agree to promptly notify us. We (including, for purposes of this Section 16.05, our parent and/or parent's licensor) will then promptly take any action we may consider necessary to protect and defend you against the claim, so long as the claim is based solely on any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or copyrights. You may not settle or compromise any claim of a third party without our prior written consent. We (including, our parent and/or parent's licensor) will have the right to defend, compromise and settle the claim at our sole cost and expense, using our own counsel. You agree to cooperate fully with us (including, our parent and/or parent's licensor) in connection with the defense of the claim and to execute any and all documents, and do any and all things, as our counsel deems necessary, including (but not limited to) becoming a nominal party to any legal action. If you do so, then we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we (including, our parent and/or parent's licensor) will bear the costs of any judgment or settlement. You grant irrevocable authority to us, and appoint us as your attorney in fact, to defend and/or settle all claims of this type. You may participate at your own expense in the defense or settlement, but our (including, our parent's and/or parent's licensor's) decisions with regard to the defense or settlement will be final.

We (including, our parent and/or parent's licensor) will have no obligation to you under this Section 16.05 if the claim arises out of or relates to your use of any of the Proprietary Marks and/or our copyrights in violation of the terms of this Agreement and/or the Brand Standards.

16.06 Prosecution of Infringers

If you receive notice or are informed or learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you agree to promptly notify us. We will then determine whether or not we wish to take any action against the third party on account of the alleged infringement of our Proprietary Marks. You will have no right to make any demand or to prosecute any infringement claim. If we undertake an action against an infringing party, you must execute any and all documents and do such acts and things as, in our counsel's opinion, are necessary including (but not limited to) becoming a nominal party to any legal action. Unless the litigation is the result of your improper use of the Proprietary Marks, we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees.

16.07 Discontinuance or Substitution of Proprietary Marks

If now or hereafter one or more of the Proprietary Marks can no longer be used, or if we in our sole business judgment determine to adopt and use one or more additional or substitute Proprietary Marks, then you agree to promptly comply with any of our directions or instructions to modify or discontinue use of any Proprietary Mark and/or adopt and use one or more additional substitute Proprietary Marks. We shall have no obligation to reimburse you for any expenditures you make to comply with such instructions or directions. Nor will we be liable to you for any other expenses, losses or damages sustained by you or your licensed Business as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You waive any claim or any such expenses, losses or damages and covenant not to commence or join in any litigation or other proceeding against us or any of our affiliates for any of these expenses, losses or damages.

17. RELATIONSHIP OF THE PARTIES

17.01 Relationship of the Parties

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. 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 our employee for any purpose, most particularly 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. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your licensed Business does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You 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 licensed Business and that under no circumstance shall we 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 the System which you are required to comply with under this Agreement, whether set forth in our Brand Standards or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your licensed Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your licensed Business.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Business. Except as otherwise expressly authorized by this agreement, neither party 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 us and you is other than that of licensor and licensee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. You shall make no statement, representation or claim and shall give no warranty to any person in respect of your licensed Business, the Courses, or the System save such as are specifically authorized in the Brand Standards in its form current at the time of your making any such statement, representation, claim or warranty. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the licensed Business.

You and we agree that any commercial agencies law does not, and shall not, at any time during or subsequent to the term of this Agreement apply to this Agreement or to the relationship between the parties established by this Agreement.

17.02 Licensee is the Sole and Exclusive Employer of its Employees

Licensee hereby irrevocably affirms, attests and covenants its understanding that in no fashion is Licensee, or may Licensee be deemed to be, Licensor's employee (under any theory or definition of "employee" or "employment") and that Licensee's employees (including, Licensee's teachers) are employed exclusively by Licensee and in no fashion is Licensee or any such employee (including, Licensee's teachers) either employed, jointly employed or co-employed by Licensor. Licensee further affirms and attests that each of its employees (including, Licensee's teachers) is under the exclusive dominion and control of Licensee and never under the direct or indirect control of Licensor in any fashion whatsoever. Licensee alone hires each of its employees (including, Licensee's teachers); sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/Affordable Care Act contributions/unemployment insurance premiums). Licensee alone has the ability to discipline or terminate its employees (including, Licensee's teachers) to the exclusion of Licensor, which has no such authority or ability. Licensee further attests and affirms that any minimum staffing requirements established by Licensor are solely for the purpose of ensuring that Licensee's Institute is at all times staffed at those levels necessary to operate Licensee's Institute in conformity with the System and the products, Courses, programs, services, standards of quality and efficiency, and other Abbey Road Institute brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. Licensee affirms, warrants and understands that it may staff its Institute with as many employees (including, teachers) as it desires at any time so long as Licensor's minimal staffing levels are achieved. Licensee also affirms and attests that any recommendations it may receive from Licensor regarding salaries, hourly wages or other compensation for employees (including, Licensee's teachers) are recommendations only, designed to assist it to efficiently operate its Institute, and that Licensee is entirely free to disregard Licensor's recommendations regarding such employee (including, teacher) compensation. Moreover, Licensee affirms and attests that any training provided by Licensor for Licensee's employees (including, Licensee's teachers) is geared to impart to those employees (including, Licensee's teachers), with ultimate authority, the various procedures, protocols, systems and operations of a licensed Institute and in no fashion reflects any employment relationship between Licensor and such employees. Finally, should it ever be asserted that Licensor is the employer, joint employer or co-employer of Licensee or any of Licensee's employees (including, Licensee's teachers) in any private or government investigation, action, proceeding, arbitration or other setting, Licensee irrevocably agrees to assist Licensor in defending said allegation, including (if necessary) appearing at any venue requested by Licensor to testify on Licensor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Licensor is the employer, joint employer or co-employer of Licensee or any of

Licensee's employees). To the extent Licensor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Licensee, then should any such appearance by Licensee be required or requested by Licensor will recompense Licensee the reasonable costs associated with Licensee appearing at any such venue (including travel, lodging, meals and *per diem* salary).

18. DEFAULT AND TERMINATION

18.01 Termination By Us – Automatic Termination Without Notice

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you become insolvent; you, the licensed Business, or any affiliate or Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial portion of the assets of your licensed Business are assigned to or for the benefit of any creditor or creditors; a petition in bankruptcy is filed by or against you, the licensed Business or any affiliate or Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within sixty (60) days from filing; you admit in writing your inability to pay your debts when due; you, the licensed Business and any affiliate or Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, the licensed Business, or any affiliate or Guarantor of the licensed Business, or the assets of any of them, is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, the licensed Business and any affiliate or Guarantor of the licensed Business is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any federal or state law are instituted by or against you, the licensed Business or any affiliate or Guarantor thereof; you, any affiliate or yours and any Guarantor are dissolved or liquidated; execution is levied against you, the licensed Business, any affiliate or Guarantor thereof and/or the property of any of the foregoing; the property of the licensed Business or your Institute is sold after levy thereon by any governmental body or agency, sheriff, marshal or other person authorized under federal, state and/or local law; a final court judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersede as bond is filed); a judicial or non-judicial action to foreclose any lien or mortgage against any of your System Institute premises or equipment is instituted against you and is not dismissed or settled by the earlier of (i) thirty (30) days from commencement or (ii) consummation of such sale; or, if you are a business entity, your governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

18.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized by Section 27.01 below, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not open your Institute for business to the general public by the date specified in Section 9.01 of this Agreement; cease operating the licensed Business; abandon the license relationship established under this Agreement; or, fail to operate your Institute for three consecutive days during which you are required to operate it under this Agreement, unless your failure to operate is due to force majeure (as defined in Section 21.01 of this Agreement).
2. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.

3. We and you agree in writing to terminate this Agreement.

4. You lose the right to possession of the Location.

5. You, your Institute Manager, Key Personnel, Teaching Personnel and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the licensed Business, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.

6. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you, the licensed Business or your Institute to any third party in violation of the terms of this Agreement.

7. You do not comply with the covenant not to compete set forth in this Agreement during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required by this Agreement.

8. You, your Institute Manager, Key Personnel, Teaching Personnel and all others required to do so fail to attend or successfully complete our Initial Training Program (after being afforded the opportunity to repeat the training pursuant to Section 8.02 of this Agreement).

9. You knowingly or through gross negligence; conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.

10. You do not maintain the financial records required by Section 12.02 of this Agreement.

11. You fail to properly account for cash or cash equivalent transactions or if we or our designee conducts an audit of your licensed Business which discloses that any monthly report or statement which you submitted to us understated your Gross Revenues by 5% or more for any month within the period of examination, or for the entire period of examination.

12. You refuse us permission to inspect, or to conduct an operational and/or financial audit of, your Business.

13. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the licensed Business' employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our property or funds; systemically fail to deal fairly and honestly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against, or to discharge, any agent, servant or employee who has embezzled our funds or property or that of any customers or others.

14. After curing a default which is subject to cure under Section 18.03 below, you commit the same act of default again within six months.

15. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your licensed Business and your Institute.

16. You interfere or attempt to interfere in any manner with our or our affiliates' contractual relations and/or our relationships with other licensees; any supplier of you, us or other

licensees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.

17. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.

18. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the licensed Business.

19. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice, within any one 12-month period.

20. You do not purchase or maintain any category of insurance required by this Agreement.

21. You, your licensed Business, your Institute Manager, Key Personnel, Teaching Personnel and/or your Institute violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.

22. You breach the provisions of this Agreement relating to advertising standards and do not cure this breach within three days following written notice from us.

23. You purchase any proprietary programs, products or services from us or our affiliates, or purchase from us, our affiliates or any third party non-proprietary goods, programs, products or services pursuant to a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit such programs, products or services for the benefit of any other individual, entity or business.

24. You operate your licensed Business and/or your Institute in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate this Agreement upon notice, but you agree that we may either beforehand or concurrently direct you to immediately close your Institute; you shall immediately comply with such direction (which may be given orally or in writing); and, you shall hold us harmless from and against any claims whatsoever relating to our direction to close your Institute.

25. You make any use of our Confidential Information and/or Proprietary Marks not specifically authorized by this Agreement or our Brand Standards, or you directly or indirectly utilize or devote same for the benefit of any individual or entity other than your licensed Business.

26. You fail to meet the Minimum Performance Standards (as defined in Section 12.03 above) on more than two occasions during the Term of this Agreement.

27. You engage in any act or conduct, or fail to engage in any act or conduct, which under this Agreement specifically authorizes us to terminate this Agreement immediately upon notice to you.

28. You default under any agreement between you and any lessor or sublessor of your Location and you do not cure the default within the period specified in the Location's Lease or Sublease (as applicable).

18.03 Termination by Us – Thirty Days to Cure

Except as provided in Section 18.01, 18.02 or in this Section 18.03, you will have thirty calendar days after we furnish you with a written notice of default, transmitted in accordance with the terms of

Section 27.01 of this Agreement, to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within the applicable cure period specified in this Section 18.03 (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to comply with any of the requirements imposed upon you and, if you are a business entity, your owners and Guarantors by this Agreement, our Brand Standards and/or all Supplements to the Brand Standards or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your licensed Business. The cure period for this default shall not be the above-referenced thirty (30) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.
2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Brand Standards or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.
3. Your licensed Business and/or Institute offers and sells any programs, Courses, products or services that we do not authorize under this Agreement or our Brand Standards and/or does not satisfy the minimum student per Course requirements or minimum Course requirements that we specify in this Agreement and/or in our Brand Standards.
4. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.
5. You engage in any business, or market any program, Course, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.
6. You fail to pay any taxes due and owing by your licensed Business (including employee taxes) when due.
7. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Brand Standards or otherwise.
8. You violate the restrictions pertaining to advertising set forth in Article 11 of this Agreement.
9. You do not indemnify us and/or one of the Licensor Parties as required by this Agreement.
10. By act or omission, you permit a continued violation in connection with the operation of the licensed Business of any law, ordinance, rule or regulation of a governmental

agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.

11. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.
12. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
13. You fail to operate your Institute during the days and hours specified in our Brand Standards without our prior written approval.
14. You fail to maintain and operate your Institute in a good, clean and sound manner and in strict compliance with our standards for speed, service, quality, cleanliness and maintenance as set forth in our Brand Standards or otherwise.
15. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 32.02 of this Agreement.
16. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your licensed Business and/or Institute.
17. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
18. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty days (or such shorter period as any law, rule or regulation requires).
19. You fail to comply with any other requirement imposed by this Agreement or our Brand Standards, or otherwise fail to carry out the terms of this Agreement in good faith.

18.04 Description of Default
The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

18.05 Your Failure to Pay Constitutes Your Termination of This Agreement
Your failure to timely cure any breach of your obligation to make payments of Student Royalties or any other monies due and owing to us or our affiliates under this Agreement, or to timely cure any other breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach (if such activities are required of us prior to our terminating this Agreement), will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

18.06 Cross Default
Any default or breach by you, your affiliates and/or any guarantor of yours of the Lease or Sublease for the Location or any other agreement between us or our affiliates and you and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us or our affiliates and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate this Agreement if the default had occurred under this Agreement, then we will have the right to

terminate all such other agreements in the same manner provided for in this Agreement for termination hereof.

18.07 Continuance of Business Relations
Any continuance of business relations between you and us after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or continuation of this Agreement unless you and we agree in writing to any such renewal, extension or continuation.

18.08 Notice Required By Law
If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

18.09 Licensor's Right to Send Notifications of Termination
Before or on the expiration or termination of this Agreement, we may give notice that the Institute is leaving the System and take any other action related to customers, suppliers and all other individuals or entities affected by such expiration or termination or which require or desire an identification of our System Institutes.

19. FURTHER OBLIGATIONS AND RIGHTS FOLLOWING THE TERMINATION OR EXPIRATION OF THIS AGREEMENT

19.01 Further Obligations and Rights Following the Termination or Expiration of this Agreement
If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be one of our authorized licensees and you will lose all rights to the use of our Proprietary Marks, the System, all Confidential Information and know-how owned by us and any goodwill (including "local" goodwill) engendered by the use of our Proprietary Marks and/or attributed to your conduct of the licensed Business.

Upon expiration or earlier termination of this Agreement for whatever reason, you agree to:

1. Immediately pay all royalties, fees, Sublease payments and other sums due and owing to us or our affiliates, plus interest, and all sums due and owing to any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders and all other third parties.

2. Discontinue the use of the Proprietary Marks, and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Business, an Institute or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement. You may never identify yourself to the public in any fashion whatsoever as a current or former Abbey Road Institute licensee.

3. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "Abbey Road Institute" or any other Proprietary Mark of ours, or any variant, and furnish us with satisfactory evidence of compliance, within fifteen days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "Abbey

Road Institute", or any related name used under this Agreement. You irrevocably appoint us as your attorney-in-fact to do so.

4. Upon any termination of this Agreement by us for cause, we will have the right immediately to enter and take possession of your Institute to maintain continuous operation of the previously licensed business, provide for orderly change of management and disposition of personal property, and otherwise protect our interests. If you dispute the validity of our termination of the license, we will nevertheless have the option (which you irrevocably grant) to operate the business pending the final, unappealed determination of the dispute by a court of competent jurisdiction. If a court of competent jurisdiction makes a final, unappealed determination that the termination was not valid, we agree to make a full and complete accounting for the period during which we operated the previously licensed business.

5. If we terminate this Agreement because of your default or you terminate same through failure to make payment following notice and opportunity to cure (pursuant to Section 18.03), you must pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a successor licensed business at the Location. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of the assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the licensed Business at the time of termination and against any of your money which we are holding or which is otherwise in our possession.

6. Immediately deliver to us all training or other materials furnished to you (including the Brand Standards and Supplements to the Brand Standards), all Confidential Information, computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Proprietary Marks or slogans or insignias or designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the licensed Business. You may retain no copy or record of any of these items, except for 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. You agree that the foregoing items, materials, lists, files, software and other similar items will be considered to be our property for all purposes.

7. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.

8. At our option, either change the telephone numbers utilized by your licensed Business or, upon our written demand, direct the telephone company to transfer the telephone numbers (and associated listings) listed for the licensed Business to us or to any other person or location that we direct. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.

9. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 13 of this Agreement (including those restricting your ability to sell, assign, lease or otherwise grant possessory rights to your Institute and/or Location to a party intending to conduct a Competitive Business thereat).

10. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 13 of this Agreement.

11. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the licensed Business, printouts, and other information pertaining to computer operations, codes, procedures and programming. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information which you had stored in the computer systems of the licensed Business. You agree not to retain any printouts, disks, tapes or other electronic media containing any of the programs or data stored in the computer systems.

12. If you lease your Location from a third party and we elect not to assume possession of the Location and/or elect not to exercise our option under Article 19 below, then promptly upon termination or expiration of this Agreement, you agree to "de-identify" the Location in all respects by performing all redecoration and remodeling, and effecting physical changes to the Location and the licensed Business' décor, trade dress, color combination, signs and other physical characteristics, as we consider necessary in our reasonable business judgment to distinguish the Location from a duly authorized Location. Without limiting the foregoing, upon our request, you will immediately discontinue use of our color scheme (by repainting if necessary) and will immediately remove all identifying architectural superstructure (as set forth in the plans and specifications for your Institute) and other distinguishing structures, décor items, furniture, and equipment from your Institute hereunder as we may direct, in order to effectively distinguish your former System Institute and other facilities from our proprietary design(s) and trade dress. If you refuse, neglect or fail to do so, we, in addition to any other remedy we have, have the right to enter upon the Location and effect such required changes at your sole risk and expense, and you hereby appoint us or our agents as your attorney(s)-in-fact with full authority to do so with no liability for trespass or any other illegality.

13. Notwithstanding anything to the contrary in the foregoing, you shall do such acts and things as the Licensor may require to ensure a smooth transition for all students currently enrolled in Courses at your Institute as of the effective date of termination or expiration of this Agreement, if and only if the Licensor consents to you doing the following (and requests that you do the following), you shall, subject to the terms and conditions of this Agreement, continue to use the Abbey Road Institute System to complete teaching any Courses which had begun but had not yet finished, which are branded with the relevant Proprietary Marks, and award any award that is branded with the relevant Proprietary Marks, to a student who has enrolled in a Course branded with the relevant Proprietary Marks at your licensed Institute, prior to the effective date of termination. If you are unable or unwilling to complete teaching any unfinished Courses, then you agree to immediately refund to each student enrolled in such Course either: (i) the full tuition the student paid for such unfinished Course(s); or (ii) the portion of tuition attributed to the component of the Course that was not delivered to the student. If a student wishes to transfer to another Institute, you agree (with our assistance) to use your best efforts to assist such student with transferring to the Abbey Road Institute of their choice. You understand and expressly agree that you bear sole responsibility for fully or partially refunding (as applicable) the unused tuition for any unfinished Course that you are unable or unwilling to complete teaching. As such, you further agree that we shall not be liable for any damages, costs, claims or liabilities incurred in connection with your failure to complete teaching any unfinished Course (including, without limitation, any amount that you are required to refund to any student pursuant to this subsection) and your indemnification obligations to us in Section 9.10 apply to any such damages, costs, claims or liabilities.

20. OUR OPTION UPON TERMINATION OR EXPIRATION

20.01 Option to Purchase Your Licensed Business's Assets, Computers and Computer and Point of Sale System

A. Upon the termination or expiration of this Agreement for any reason, we, any of our affiliates, and/or any nominee or designee we name are hereby granted an option, exercisable within 30 days after the termination or expiration becomes effective, to purchase as soon as practicable thereafter (including any period necessary for the obtaining of governmental approvals and consents of the concerned lessor) all of your operating assets relating to the licensed Business. The date on which such purchase is closed will be referred to as the "Closing Date". The following terms and conditions will apply to the option granted by this Article 19:

1. All leasehold improvements, furniture, fixtures, supplies, equipment, trade dress elements and inventory will be purchased at your original cost or for an amount equal to their fair market value, whichever is less. If you and we cannot agree on "fair market value", then an appraiser shall determine same in accordance with the procedures set forth in Section 20.02 below.
2. All transferrable permits, licenses and other governmental authorizations will be transferred or assigned to us, our affiliate, nominee or designee (as applicable) at the soonest possible time, specifically including any alcoholic beverage licensing, permits or authorizations.
3. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).
4. All property, real or personal, sold to us or our affiliate, nominee or designee (as applicable) under this Article 19 must be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our affiliate, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

B. You will convey to us (or our affiliate, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of appropriate deeds, bills of sale and assignments containing warranties of title. You hereby irrevocably designate us as your attorney-in-fact and proxy to execute any and all instruments necessary and appropriate to effect such conveyance and will sign any other documents or agreements necessary for our appointment as such. We (or our affiliate, nominee or designee, as applicable) will have the right at our option to assume any liabilities encumbering the assets sold under the provisions of this Article or any of the liabilities for which we would otherwise be indemnified by you pursuant to Section 9.10 of this Agreement, and reduce the consideration payable to you accordingly. You will pay all transfer taxes and recording fees, if any.

C. All rents, interest, assessments, taxes and other charges or royalties related to the assets to be conveyed, the payment period of which began before the Closing Date, will be prorated to the Closing Date on the basis of the most recent rates available, and the prorated amount will be added to or subtracted from, as the case may be, the consideration payable to you.

D. You agree to use your best efforts to assist us (or our affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 19.

20.02 Appraisals

If you and we cannot agree within a reasonable time on the fair market value of any assets we, our affiliate, nominee or designee acquire from you pursuant to this Article 19, or the commercially reasonable terms of any lease we require you to enter into for land and facilities owned by you (or any affiliate) and utilized by the licensed Business, then such dispute will be resolved by means of an appraisal conducted in the following fashion. If, within 60 days following your receipt of our notice that we intend to exercise one or more of the options set forth above, you and we cannot agree on the fair market value of the item in question, then you and we within the next seven days shall each select one appraiser and notify the other party of its designee. The two appraisers you and we select will be instructed to meet within thirty days following their selection for the purpose of selecting a third appraiser to serve with them. If the two appraisers you and we select cannot agree on the selection on the third appraiser within 15 days after the selection of the last of them, then you shall select the third appraiser from a list of three appraisers we propose in writing. In the event our disagreement pertains to the commercially reasonable terms of any lease you are required to enter into with us for the Location (if you own it), then each appraiser selected must have received the MAI designation and must be actively engaged in appraisal work in the county in which the Location is located. The appraisers' determination of the fair market value of any item(s) we intend to purchase from you, or the commercially reasonable terms of the Lease for your owned Location, will be binding on both of us. If following the appraisal we exercise any of the options set forth above, then you and we will each pay one half (1/2) of the cost of any and all such appraisals. If we do not elect to exercise any option provided herein following the appraisals then we alone shall bear the cost of all of the appraisal. If we exercise any of the options granted to us above, we will have the right to set off from all amounts due to you any and all amounts which are due and owing by you to us and our affiliates.

20.03 Timing

If we exercise our option to purchase (or, with respect to your Location, lease) any of the assets of your licensed Business as provided in this Article 19, then the Closing Date shall be no later than sixty days after either you and we agree on the fair market value of the assets in question (or, with respect to the Location, the commercially reasonable terms for our lease for such Location) or, if you and we cannot agree on same, no later than sixty days after the determination of such fair market value/commercially reasonable terms furnished by the appraisers provided for in Section 20.02 of this Agreement.

21. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

21.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; terrorist acts; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; lockouts; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

22. APPROVALS AND WAIVER

22.01 Approvals

Whenever this Agreement requires you to secure our prior approval or consent, such approval or consent must be obtained in writing and must be timely sought.

22.02 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of such breach or any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting the foregoing, our acceptance of any payment specified to be paid by you under this Agreement will not be, nor constitute, our waiver of any breach of any term, covenant or condition of this Agreement.

22.03 Our Withholding of Consent – Your Exclusive Remedy

In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce this Agreement's provisions, for specific performance or for declaratory judgment.

22.04 No Warranty or Guaranty

If we afford you a waiver, approval, consent or suggestion in connection with this Agreement, we do not thereby make any warranty or guarantee upon which you may rely and by doing so we assume no liability or obligation to you.

23. OUR RIGHT TO CURE DEFAULTS

23.01 Our Right to Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you immediately upon demand.

24. INJUNCTION

24.01 Injunction

You explicitly affirm and recognize the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, you agree that any noncompliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other System licensees. You therefore agree that, notwithstanding anything to the contrary in this Agreement, if you engage in such noncompliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the term of this Agreement, we and our affiliates will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in the Territory or otherwise, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions without the requirement that we post a bond of any type or nature, or any other form of security, and without the requirement to prove the adequacy of money damages as a remedy, and without waiving any other rights or remedies at law or in equity. You will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which we and/or our affiliates may incur in connection with our efforts to secure such injunctive relief.

25. INTEGRATION OF AGREEMENT

25.01 Integration of Agreement

This Agreement, all exhibits to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in the preceding sentence, however, is intended to disclaim the representations we made in the franchise/license disclosure document that we provided to you. You acknowledge that you are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of the licensed Business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or licensees which are contrary to the terms set forth in this Agreement or any franchise/license disclosure document required or permitted to be given to you pursuant to applicable law. You specifically acknowledge that no officer, director, employee, agent, representative or independent contractor of ours is authorized to furnish you with any financial performance information; that, if they nevertheless do, you have not relied 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. You understand, agree and will never contend otherwise that your foregoing acknowledgment does not in any fashion constitute your waiver of any and all rights or protections which may be afforded you by any federal or state franchise or business opportunity law but, rather, is a conclusive statement of fact upon which we are relying. For the purpose of this Agreement, “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 projected sales, expenses and/or profits of franchised, licensed or non-licensed Businesses and Institutes.

26. NO ORAL MODIFICATION

26.01 No Oral Modification
This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. You expressly acknowledge that no oral promises were made to you (or, if they were, that you are not relying and will not rely on any such oral promise) and that our obligations are confined exclusively to those set forth in this Agreement. You understand and assume the business risks inherent in this enterprise.

27. NOTICES

27.01 Notices, Requests and Protests
Any notice, request or protest required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by a recognized overnight delivery service capable, through “signature capture” or otherwise, of documenting delivery or attempted delivery of the notice, or by electronic mail with third party “read receipt” and written confirmation of delivery (including date and time); and, will be effective on the date that delivery either is effected or is documented to have been first attempted. We reserve the right to designate in our Brand Standards a now or hereafter developed mode of electronic communication to facilitate our giving notices to each other, but only if the mode of communication we specify is capable of affording evidence of delivery or attempted delivery.

Notices to us:

Abbey Road Training Limited
4 Pancras Square
London N1C 4AG
Attention: Luca Barassi, Chief Executive Officer

With a copy to:

Kaufmann Gildin & Robbins LLP
767 Third Avenue, 30th Floor
New York, New York 10017
Attention: David J. Kaufmann, Esq.

Notices to You:

____

____

____

____

Attention:______________________________

Either party to this Agreement may, in writing, on ten days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent.

28. SEVERABILITY

28.01 Severability
Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future law, rule or regulation which by its terms is applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, that provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect, unless said provision pertains to the payment of monies due to us or our affiliates under this Agreement of any type or nature whatsoever, in which case we may at our option terminate this Agreement. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement (but not any of its payment provisions) and the parties agree to be bound by and perform this Agreement as so modified.

29. NO THIRD PARTY BENEFICIARIES

29.01 No Third Party Beneficiaries
This Agreement is entered into solely between you and us. Other than our affiliates or as expressly set forth in this Agreement, there is no intended third party beneficiary of this Agreement and you agree that none is to be presumed or deemed to exist.

30. EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS

30.01 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Electronic and facsimile signatures will be considered as binding and conclusive as if original.

B. The titles and subtitles of the various Articles and Sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. If Licensee consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us under this Agreement are joint and several.

F. As used in this Agreement, the words “include”, “includes”, or “including” are used in a non-exclusive sense and shall be construed to mean “including without limitation”.

31. LEGAL ACTIONS, GOVERNING LAW AND VENUE

31.01 Attorneys’ Fees
Except as otherwise provided by this Agreement, each party to any legal action or proceeding brought against the other party shall be responsible for his/her/its own attorneys’ fees, experts’ fees, court costs and all other expenses sustained in the course of such litigation (including any appeals). You acknowledge, however, that certain provisions of this Agreement provide that should we prevail in certain legal actions or proceedings against you, you must reimburse us for all costs and expenses incurred in connection with such legal actions or proceedings (including any appeal thereof), including reasonable attorneys’ fees, experts’ fees, court costs and all other expenses we incur.

31.02 Attorneys’ Fees – Third Party Actions
If we become a party to any action or proceeding commenced or instituted against us by a third party arising out of or relating to any claimed or actual act, error or omission of yours and/or any of your officers, directors, shareholders, management, employees, contractors and/or representatives (the “Licensee Party(ies)”) your Institute and/or your licensed Business by virtue of statutory, “vicarious”, “principal/agent” or other liabilities asserted against or imposed on us as a result of our status as Licensor; or if we become a party to any litigation or any insolvency proceeding involving you pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse us for, the reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, we will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to our proof of claim in any insolvency or bankruptcy proceeding you file.

31.03 Governing Law
This Agreement; all relations between us; and, any and all disputes between you and/or any other Licensee Party, on the one hand, and us and/or any other Licensor Parties, on the other hand, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the state of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state’s law as governing, again without recourse to that successor state’s (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is not enforceable under the laws of New York (or a successor state we designate as provided above), and if your licensed Business is located outside of New York (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the licensed Business is located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 31.03 is not intended to invoke, and shall not be deemed to invoke, the application of any license, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of New York, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

31.04 Venue
A. Except with respect to our right to seek certain injunctive relief or as otherwise provided in Sections 13.04, 24.01 and Section 31.04(b), any dispute, controversy or claim arising out of or in

connection with this Agreement, including any question regarding its existence, validity, breach or termination (the "Dispute") shall be exclusively referred to and finally resolved by arbitration under the London Court of International Arbitration Rules (the "LCIA Rules"), which LCIA Rules are deemed to be incorporated by reference into this clause. The Dispute shall exclusively be heard before an arbitral tribunal consisting of three arbitrators appointed by the London Court of International Arbitration ("LCIA"). The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. The parties hereto undertake to keep the arbitration proceedings and all information, pleadings, documents, evidence and all matters relating thereto confidential.You (and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of the LCIA and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You (and each of your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agrees that any dispute as to the venue for arbitration will be submitted to and resolved exclusively by he LCIA.

B. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief to enforce our Proprietary Marks, rights to confidentiality or non-competition hereunder, or involving possession or disposition of, or other relief relating to, your Institute or Location, we may bring such an action in any state or federal district court or other court of competent jurisdiction. You, on behalf of yourself and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for arbitration by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). The parties agree that this second paragraph of this Section 31.04 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

31.05 Waiver of Punitive Damages

A. With respect to any litigation commenced under Section 31.04(b) hereof, the parties to this Agreement (as denominated in Section 31.04) explicitly waive their respective rights to a jury trial in any litigation between them and hereby stipulate that any such trial shall occur without a jury.

B. You, your Guarantors and the other Licensee Parties hereby irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between such parties and/or any of their affiliates and us and/or any of our affiliates, and you and such others covenant never to advance or pursue any such claim for punitive damages. You and such others agree that in the event of a dispute, you and such others shall be limited to the recovery from the Licensor Parties of any actual damages sustained by you or them. You covenant to secure from any Licensee Party which does not execute this Agreement his/her/its execution of a writing specified by us, in the Brand Standards or otherwise, irrevocably confirming the applicability to them of the provisions of this Section 31.05, in such manner and by such time we reasonably specify.

31.06 No Consolidated or Class Actions

You and the other Licensee Parties may only pursue any claim you have against us or the other Licensor Parties in an individual arbitral action or proceeding. Neither you nor any other Licensee Party shall join or combine its/their arbitral action or proceeding in any manner with any arbitral or legal action or claim of any other Abbey Road Institute franchisee or licensee, franchise/license owner, franchisee/licensee guarantor, or other claimant, nor will you or any other Licensee Party maintain any arbitral or legal action or proceeding against us and the other Licensor Parties in an arbitral or legal class action, whether as a representative or as a member of a class or purported class, nor will you or any other Licensee Party seek to consolidate, or consent to the consolidation of, all or part of any arbitral or legal action or proceeding by any of them against us or the other

Licensor Parties with any other arbitration or attempted litigation against us or such other Licensor Parties.

31.07 Limitation on Actions

Any and all legal actions or proceedings brought by you against us or the other Licensor Parties arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; the relations between such parties; and, any and all disputes between such parties, whether sounding in law or equity, must be commenced within two (2) years from the occurrence of the acts, errors and/or omissions giving rise to such legal action or proceeding or within two years from the date on which you knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to such action or proceeding, whichever occurs first. If not, then you irrevocably covenant and agree that such action or proceeding shall be barred.

32. LIABILITY OF “LICENSEE”; GUARANTEE

32.01 Liability of “Licensee”

The terms "Licensee" and “you” as used in this Agreement will refer to each person executing this Agreement as Licensee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Licensee in this Agreement. If you are a married couple, both husband and wife executing this Agreement will be liable for all your obligations and duties as Licensee under this Agreement as if the spouse were the sole Licensee under this Agreement. If you are a partnership or proprietorship, or if more than one person executes this Agreement as Licensee, each partner, proprietor or person executing this Agreement will be liable for all obligations and duties of Licensee under this Agreement. If you are a trust, each trustee, grantor and beneficiary signing this Agreement will be liable for all the obligations and duties of Licensee under this Agreement. If you are a business entity, all owners of such entity executing this Agreement will be liable for all obligations and duties of Licensee under this Agreement as if each such owner were the sole licensee under this Agreement.

32.02 Guarantee

If you are a business entity, then we may require certain individuals or other entities (the “Guarantors”) to guarantee all of your duties, requirements and obligations under this Agreement, both financial and non-financial, by executing a guarantee substantially in the form of Exhibit G (the “Guarantee”). In the event of the death of any Guarantor, we may require replacement guarantees sufficient in our sole business judgment to provide us with the same protection as we had originally bargained for.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity Guarantor without first proceeding against you and without proceeding against or naming in the action or proceeding any other such Guarantor. Your obligations and those of each such Guarantor will be joint and several. Notice to or demand upon one such Guarantor will be considered notice to or demand upon you and all such Guarantors. No notice or demand need be made to or upon all such Guarantors. The cessation of or release from liability of you or any such Guarantor will not relieve you or any other Guarantor, as applicable, from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

33. SURVIVAL

33.01 Survival

Any provision of this Agreement which imposes in any fashion, directly or indirectly, an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

34. OUR BUSINESS JUDGMENT

34.01 Our Business Judgment

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option using our business judgment, taking into consideration our assessment of the long-term interests of the System overall. You and we recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by our business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

35. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

35.01 Your Representations

You represent and warrant to us, with the intention that we are relying on your representations and warranties in entering into this Agreement, that:

1. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your licensed Business.

2. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.

3. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.

4. You do not have any liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements which you furnished to us before the execution of this Agreement.

5. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, shareholders, partners, members, managers, Guarantors, or any other owner of a direct or indirect, partial or whole interest in you (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or, which affects or could affect your right or ability to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

6. Licensee and Owners' Representations Concerning Sophistication, Experience and Net Worth. The Licensee and each owner of the Licensee hereby represents, with the

understanding that the Licensor is specifically relying thereon, that: (i) the Licensee either has total assets exceeding One Million Dollars ($1,000,000) or, in the alternative, such owner of the Licensee is an individual whose gross income exceeded $300,000 per year in each of the two most recent years or whose gross joint income with a spouse exceeded $500,000 per year in each of the two most recent years, and reasonably expects to reach the same income level in the current year; (ii) the Licensee has knowledge and experience in financial and business matters, either alone or with professional advisors who are unaffiliated with, and not directly or indirectly compensated by, the Licensor or an affiliate or selling agent of the Licensor, and has sufficient knowledge and experience in the type of business to be operated under this Agreement that it is capable of evaluating the merits and risks of, and protect its own interests in, the investment required hereunder; (iii) the Licensee is acquiring the license granted by this Agreement for its own account for the purpose of conducting the business contemplated hereunder and not with a view to, or for sale in connection with, any resale or distribution of such license; (iv) the immediate cash payment required from a purchaser of the license granted hereunder who is a natural person, upon the purchase of the license, shall not exceed 10 percent of that person's net worth or joint net worth with that person's spouse, exclusive of that person's personal residence, any and all retirement or pension accounts or benefits, home furnishings and automobiles, and (v) the Licensee and each owner of the Licensee acknowledges and attests that this Agreement requires an initial investment by the Licensee (or, if the Licensee is an investor group, at least one individual in the investor group) of more than One Million One Hundred Forty-Three Thousand One Hundred Dollars ($1,233,000) (excluding the cost of unimproved land and any financing received from the League or its affiliates), and thus is exempted from the Federal Trade Commission’s Franchise Rule disclosure requirements pursuant to 16 CFR 436.8(a)(5)(i).

7. All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

35.02 Your Acknowledgments

You represent, warrant and acknowledge to us, with the intention that we will be relying thereon in entering into this Agreement, that:

1. No representation has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or ”franchise seller,” as that term is defined by law) which has been relied on by you or any of your affiliates as to the future or past revenues, income, expenses, sales volume or potential profitability, earnings or income of the licensed Business, or any other Institute or Business, other than any information we may have provided in our franchise/license disclosure document, nor have we or any of the foregoing made any representations, statements or promises to you which conflict with, contravene or vary from the contents of our franchise/license disclosure document. You acknowledge and agree, and covenant never to assert otherwise in any setting, that the foregoing representations (and your other representations in this Agreement) are statements of indisputable fact and thus do not constitute any waiver of any rights or protections which you may enjoy under any franchise or similar law, rule or regulation.

2. No representation or statement has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) which has been relied on by you regarding our anticipated income, earnings and growth or that of the System, or the viability of the business opportunity being offered under this Agreement.

3. Before executing this Agreement, you have had the opportunity to contact all our existing franchisees.

4. You have been advised and given the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, the terms and provisions of this Agreement and the prospects for the licensed 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.

5. If required by applicable law, rule or regulation, you have received from us a copy of our franchise/license disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise/license, at least fourteen calendar days before the execution of this Agreement or at least fourteen calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise/license granted by this Agreement.

6. No representation or statement has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) which has been relied on by you 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.

7. 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 and the restrictions on assignment) and the rights and remedies conferred upon you and us under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to us; (c) are fully required to protect our legitimate business interests; and, (d) do not confer benefits upon us that are disproportionate to your detriment.

8. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors.

36. SUBMISSION OF AGREEMENT

36.01 Submission of Agreement
Our tendering this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. The date that we execute this Agreement, referred to in this Agreement as the “Effective Date”, will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACKNOWLEDGE THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO YOU OTHER THAN THOSE SET FORTH IN OUR FRANCHISE/LICENSE DISCLOSURE DOCUMENT OR IN THIS AGREEMENT, AND THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO YOU, YOU HAVE NOT RELIED AND ARE NOT RELYING ON THEM.

YOU HAVE READ ALL OF THE FOREGOING AGREEMENT AND ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

[Signature page follows]

Dated: ______________

Attest:

____

Witness/Date

LICENSEE:

If a corporation or other entity:

____

(Name of Corporation or Other Entity)

By:____

Its:____

(Title)

Name: ____

(Print Name)

If an individual:

____

(Signature)

____

(Print Name)

____

(Signature)

____

(Print Name)

Dated: ______________

Attest:

____

Witness/Date

ABBEY ROAD INSTITUTE, LLC

By: ABBEY ROAD TRAINING LIMITED,
SOLE MEMBER OF ABBEY ROAD INSTITUTE, LLC

By: ____________________________________

Its:_____________________________________

(Title)

Name: __________________________________

(Print Name)

[Signature page to License Agreement]

EXHIBIT A

INSTITUTE LOCATION AND TERRITORY

INSTITUTE LOCATION AND TERRITORY

The Institute Location referred to in Section 3.01 of the Unit License Agreement is the following:
____.

The Territory referred to in Section 3.01 of the Unit License Agreement will consist of the following:
____.

CHECK HERE IF MAP OF TERRITORY IS ATTACHED: ___

Initials: Licensor _____ Licensee _____

EXHIBIT B

PROPRIETARY MARKS

The Proprietary Marks as defined in Section 1.01 of the Unit License Agreement will consist of the following:

1. TRADE NAME

'ABBEY ROAD INSTITUTE'®

2. GENERAL LOGO

and such other and further Proprietary Marks (as defined in Section 1.01 of the Unit License Agreement) that we may from time to time license to you in conjunction with and addition to the Proprietary Marks listed above. Any such other and further Proprietary Marks will be deemed a part of this Exhibit B.

EXHIBIT C

REQUIRED PROVISIONS FOR LEASE RIDER

REQUIRED PROVISIONS FOR LEASE RIDER

All Leases you (Licensee) enter into for the Institute Location must contain a Rider with provisions acceptable to us providing that:

1. After (a) the expiration of the License Agreement (so long as we (Licensor) provide the Landlord with no less than 60 days advance written notice thereof), or (b) the sooner termination of the License Agreement for any reason (so long as we either provide the Landlord with(x) a copy of our notice of termination to you or (y) an agreement regarding the date of termination), we will have the right (but not the obligation) to cure any defaults within a reasonable period of time and at our election, either to assume the obligations of and replace you as the lessee under the Lease, or to have another franchisee, licensee, joint venture partner or other designee of ours assume the obligations of and replace you as the lessee under the Lease. If we assume the obligations of and replace you as the lessee under the Lease and then subsequently reassign the Lease to another franchisee, licensee, joint venture partner or other designee of ours, upon any such reassignment, we shall be released from all prospective obligations of the lessee.

2. Simultaneous with giving notice to you of any default, the lessor or sublessor (the "Landlord") will furnish to us written notice specifying such default and the method of curing the default; allow us 30 days after receipt of the notice to cure the defaults (except that (i) if the default is the non-payment of rent, we will have only fifteen days from receipt of notice to cure the default, and (ii) if the default is of such a nature that it cannot, with the exercise of reasonable diligence, be cured within 30 days, the time for cure shall be extended to be the same as that set forth in the Lease); and, allow us to exercise our option for us or another franchisee, licensee, joint venture partner or other designee of ours to succeed to your interest in the Lease under the same conditions as set forth in par. '1', above.

3. The Landlord will accept us or another licensee designated by us as a substitute tenant under the Lease upon notice from us that we are exercising our option for us or another franchisee, licensee, joint venture partner or other designee of ours to succeed to your interest in the Lease and/or to reassign the Lease to another licensee following our assumption of obligations under the Lease, under the same conditions as set forth in par.'1', above.

4. The required provisions in '1', '2', and '3', above, are rights but not obligations for us to assume your rights and responsibilities under the Lease.

5. The Landlord acknowledges that you alone are responsible for all debts, payments and performances under the Lease before we or another franchisee, licensee, joint venture partner or other designee of ours takes actual possession of the premises.

6. The Lease may not be modified or amended without our advance written consent, which we may not unreasonably withhold. The Landlord will provide us with copies of all proposed modifications or amendments at least 30 days prior to their execution and true and correct copies of the executed modifications and amendments.

7. The Landlord agrees to furnish us with copies of all letters and notices sent to you pertaining to the Lease and the premises, at the same time and in the same manner that these letters and notices are sent to you.

EXHIBIT D

SOFTWARE LICENSE AGREEMENT

TABLE OF CONTENTS

SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT is made and entered into this _______ day of __________, between ABBEY ROAD INSTITUTE, LLC, a Delaware limited liability company, with its principal office at [address of Licensor] ("Licensor") and 4 Pancras Square, London N1C 4AG, United Kingdom whose principal address is ______________________________________ ("Licensee").

1. GRANT OF LICENSE

1.01 Grant of License

Licensor grants to Licensee a nontransferable, nonexclusive single-site license for the use of those computer programs, system documentation manuals and other materials (hereinafter collectively referred to as "Abbey Road Institute Software" or the "Software") supplied by Licensor to Licensee during the term of this Agreement.

1.02 Revisions, Additions and Deletions

Licensor may, from time to time, revise the Abbey Road Institute Software or any part of the Software. In doing so, Licensor incurs no obligation to furnish these revisions to Licensee. Licensor reserves the right to add and/or delete, at its sole option, computer programs and/or features to the Abbey Road Institute Software. If Licensor furnishes Licensee with revisions or additions to the Abbey Road Institute Software, Licensor specifically reserves the right to charge Licensee for them at the prices and on the terms that Licensor determines at its sole option, including, without limitation, any costs associated with installation of computer hardware, equipment, connections, data systems, software, etc. Any updates, replacements, revisions, enhancements, additions or conversions to the Abbey Road Institute Software furnished by Licensor to Licensee will become part of the "Software" under this Agreement and subject to this Agreement.

1.03 Rights of Licensor

Licensee recognizes that Licensor is supplying the Abbey Road Institute Software and all additional materials and information, including but not limited to all processes, ideas, data and printed material, to Licensee subject to Licensor's proprietary rights. Licensee agrees with Licensor that the Abbey Road Institute Software and all information and/or data supplied by Licensor in any form, including but not limited to machine-readable and/or printed form, are trade secrets of Licensor embodying substantial creative efforts and confidential information, ideas, and expressions, are protected by civil and criminal law, and by the law of copyright, are very valuable to Licensor, and that their use and disclosure must be carefully and continuously controlled. Accordingly, Licensee agrees to treat (and take precautions to ensure that its employees treat) the Software as confidential in accordance with the confidentiality requirements and conditions set forth in this Agreement. Licensor is not obligated to provide and Licensee acquires no right of any kind under this Agreement with respect to any source code for the Software.

1.04 Title

Licensor retains title to the Abbey Road Institute Software, the system documentation manuals, any additional materials and information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form). Licensee agrees to keep every item to which Licensor retains title free and clear of all claims, liens and encumbrances except those of Licensor. Any act of Licensee, voluntary or involuntary, purporting to create a claim, lien or encumbrance on such an item will be void.

Initials: Licensor ________ Licensee_______

1.05 No Other Rights Granted

Apart from the license rights specifically enumerated in this Agreement, this Agreement does not include a grant to Licensee of any ownership right, title or interest, nor any security interest or other interest, in any Intellectual Property Rights (as defined in the following sentence) relating to the Software or any part of the Software. “Intellectual Property Rights” means any and all rights to exclude under patent law, copyright law, moral rights law, trade-secret law, semiconducter chip protection law, trademark law, unfair competition law or other similar rights.

2. TERM

2.01 Term

This License Agreement is effective from the date of execution by Licensor and will remain in full force so long as Licensee remains a Licensee in good standing under the Abbey Road License Agreement entered into between [Abbey Road Training Institute] and Licensee, dated ________________________ (the "License Agreement"). The License Agreement is incorporated in this Agreement as though set forth in full.

3. RESTRICTIONS ON LICENSEE

3.01 Single-Site Use

The Abbey Road Institute Software and other materials provided under this Agreement may be used only on a single central processing unit (referred to as the "CPU") and its associated networked peripheral units at the same site. “Use” of a program will consist either of copying any portion of the program from storage of units or media into the CPU, or the processing of data with the program, or both. Licensee agrees to keep all programs, documentation and materials in any form (including but not limited to object, machine-readable and/or printed form) supplied under this license in a secure place, under access and use restrictions satisfactory to Licensor, and not less strict than those applied to Licensee's most valuable and sensitive programs. In the event that the CPU becomes inoperable, Licensee shall have the right to temporarily move the Software to a back-up system at the same site, for a reasonable period of time, while the CPU is inoperable. Licensee shall provide Licensor with written notice within five (5) days of any such movement.

Licensee shall be exclusively responsible for the supervision, management and control of its use of the Software and the operating environment, including, but not limited to: (i) assuring proper audit controls and operating methods; (ii) establishing adequate back-up plans in the event of a Software or hardware malfunction, including restart and recovery procedures; (iii) implementing sufficient procedures and checkpoints to satisfy its requirements for security and accuracy of input and output; and (iv) maintaining the proper operating environment for the Software.

3.02 Copies

Licensee agrees that while this license is in effect, or while Licensee has custody or possession of any property of Licensor, and except as provided in the following paragraph, Licensee will not (a) copy or duplicate, or permit anyone else to copy or duplicate, any physical or magnetic version of the Abbey Road Institute Software or other information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form), or (b) create or attempt to create, or permit others to create or attempt to create, by reverse engineering or otherwise, the source programs or any part of them from the object program or from any other information made available under this license or otherwise (whether oral, written, tangible or intangible).

Notwithstanding the foregoing, any Abbey Road Institute Software or additional material which is provided by Licensor in any form (including but not limited to object, machine-readable and/or printed form) may be copied, in whole or in part, solely for the use of Licensee at Licensee's address stated above, for archive or emergency restart purposes, to replace a worn copy, or to understand the contents of such machine-readable material, provided, however, that no more than three printed copies and three object or machine-readable copies will be in existence under this license at any one time without prior written consent from Licensor. The original, and any copies, in whole or in part, of Abbey Road Institute Software and/or additional materials supplied to Licensee by Licensor, which are made under this Agreement, will be the property of Licensor for all purposes.

Licensee agrees to maintain appropriate records of the number and location of all copies of the Software and make such records available upon Licensor's request. Licensee further agrees to reproduce all copyright and other proprietary notices on all copies of the Software in the same form and manner that such copyright and other proprietary notices are originally included on the Software

Licensee agrees to keep any copies and the original at Licensee's address stated above, except that the Licensee may transport or transmit a copy or the original of any licensed program to another location for back-up use when required by CPU malfunction, provided that, when the malfunction is corrected, the copy or the original is destroyed or returned to Licensee's above address.

Licensee agrees to respect and not to remove, obliterate, or cancel from view any copyright, trademark, confidentiality or other proprietary notice, mark, or legend appearing on any of the Software or output generated by the Software, and to reproduce and include same on each copy of the Software.

3.03 No Reverse Engineering or Modification

Licensee agrees that while this license is in effect, or while Licensor has custody or possession of any property of Licensor, Licensee will not modify, translate, enhance, merge, reverse engineer, reverse assemble, disassemble, or decompile the Software or any portion of the Software, derive the source code or the underlying ideas, algorithms, structure or organization form of the Software or any portion thereof or otherwise reduce the Software or any portion of the Software to human-readable form. Licensee may not, and may not attempt to, defeat, avoid, by-pass, remove, deactivate or otherwise circumvent any software protection mechanisms in the Software including, without limitation, any such mechanism used to restrict or control the functionality of the Software.

3.04 Transfer of Software

If Licensee transfers possession of any copy, modification, translation or merged portion of the Abbey Road Institute Software to another party, the attempt at transfer is void and this license is automatically terminated.

4. PROTECTION AND SECURITY

4.01 Non-Disclosure

Licensee agrees not to disclose, publish, display, translate, release, transfer or otherwise make available the Abbey Road Institute Software, any part of the Software or any other materials furnished by Licensor in any form (or any copy of any of the foregoing) to any person, without the written consent of Licensor, which may be withheld with or without cause. Licensee agrees that it will take all necessary action including, but not necessarily limited to, instructing and entering into agreements with all of Licensee's employees, agents, representatives, affiliates, subsidiaries, and/or other third persons/entities associated with Licensee to protect the copyright and trade secrets of Licensor in and to those materials licensed under this Agreement and to assure Licensee's compliance with its obligations under this Agreement. Licensee shall use its best efforts to assist Licensor in identifying and preventing any unauthorized use, copying or disclosure of the Software or any portions thereof. Without limitation of the foregoing, Licensee shall advise Licensor immediately in the event Licensee learns or has reason to believe that any person who Licensee has given access to the Software, or any portion thereof, has violated or intends to violate the terms of this Agreement. The provisions of this Section 4.01 will survive the termination of this Agreement. Licensee shall not rent, lease, loan, distribute, sell, sublicense or encumber the Software.

 Initials: Licensor ________ Licensee_______

Licensee shall not create any derivative works from the Software. Licensee agrees that any derivative works created by Licensee from the Software, including, but not limited to, software or other electronic works, are considered derivative works under U.S. law and that use of the derivative work is subject to the terms and conditions of this License Agreement. Derivative works may not be sublicensed, sold, leased, rented, lent, or given away without written permission from Licensor. Licensor will not be responsible for unauthorized, modified and/or regenerated software or derivative works.

Licensee understands and agrees that Licensor may from time to time adopt whatever mechanical or other electronic methods that Licensor deems necessary (in its sole and exclusive judgment) to prevent the unauthorized use and/or distribution of the Abbey Road Institute Software.

4.02 Off-Site Communications Lines

Licensee may not permit the computer programs licensed under this Agreement to be transmitted over any off-site communications lines for any purpose without Licensor's consent.

5. UNAUTHORIZED ACTS

5.01 Unauthorized Acts

Licensee agrees to notify Licensor immediately of the unauthorized possession, use or knowledge of any item supplied through this license and of other information made available, to Licensee under this Agreement, by any person or organization not authorized by this Agreement to have such possession, use or knowledge. Licensee agrees to promptly furnish full details of the possession, use or knowledge to Licensor, to assist in preventing the recurrence of the possession, use or knowledge, and to cooperate with Licensor in any litigation against third parties deemed necessary by Licensor to protect its proprietary rights. Licensee's compliance with this paragraph will not be construed in any way as a waiver of Licensor's rights to recover damages or obtain other relief against Licensee for its negligent or intentional harm to Licensor's proprietary rights, or for breach of Licensor's contractual rights.

5.02 Export Law Assurances.

Licensee may not use or otherwise export or reexport the Software except as authorized by United States law and the laws of the jurisdiction in which the Software was obtained. In particular, but without limitation, the Software may not be exported or reexported: (i) into, or to a national or resident of, any U.S. embargoed country, or (ii) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals, the U.S. Department of Commerce's Table of Denial Orders or to whom export or reexport is prohibited by the United States Department of Treasury Office of Foreign Assets Control ("OFAC") or any other United States or foreign agency or authority. Licensee represents and warrants that Licensee is not located in, under control of, or a national or resident of any such country or on any such list.

6. INSPECTION

6.01 Inspection

To assist Licensor in the protection of its proprietary rights, Licensee agrees to permit representatives of Licensor to inspect, at all reasonable times, any location at which items supplied under this Agreement are being used or kept.

7. ASSIGNMENT OF LICENSE RIGHTS

7.01 Assignment by Licensor

Licensor will have the right to assign this Agreement, and all of its rights and privileges under this Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Licensor under this Agreement: (i) the assignee must, at the time of the assignment, be financially responsible and economically capable of performing the obligations of Licensor under this Agreement, and (ii) the assignee must expressly assume and agree to perform these obligations.

7.02 Assignment by Licensee

With respect to Licensee's obligations under this Agreement, this License Agreement is personal, being entered into in reliance upon and in consideration of the singular personal skill and qualifications of Licensee, and the trust and confidentiality reposed in Licensee by Licensor. Therefore, neither Licensee's interest in this Agreement nor any of Licensee’s rights or privileges under this Agreement, may be assigned, sold, transferred, shared, redeemed, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Licensor. Any actual or attempted assignment, transfer or sale of this Agreement, or any interest in this Agreement, or of the licensed business, made or accomplished in violation of the terms of this Article will be null and void and will constitute an incurable breach of this Agreement by Licensee, and, if this occurs, this Agreement will automatically terminate without further notice.

8. INJUNCTION

8.01 Injunction

Licensee acknowledges that the unauthorized use, modification, transfer or disclosure of the Software or copies thereof will (i) substantially diminish the value to Licensor of the trade secrets and other proprietary interests that are the subject of this Agreement; (ii) render Licensor's remedy at law for such unauthorized use, disclosure or transfer inadequate; and (iii) cause irreparable injury in a short period of time. If Licensee breaches any of its obligations with respect to the use or confidentiality of the Software or if Licensee attempts to use, copy, modify, license, or convey the items supplied by Licensor under this Agreement, in a manner contrary to the terms of this Agreement, in competition with Licensor or in derogation of Licensor's proprietary rights (whether these rights are explicitly stated in this Agreement, determined by law or otherwise), then Licensor shall be entitled to equitable relief to protect its interests therein, including, but not limited to, preliminary and permanent injunctive relief, without having to post bond or other security.

9. DEFAULT AND TERMINATION

9.01 Termination

If the License Agreement is terminated by either party for any reason or expires, then upon the effective date of the termination or expiration of the License Agreement, this Agreement will automatically terminate without notice to Licensee.

Licensor reserves the right to immediately terminate this License Agreement, at Licensor's sole and exclusive option, if Licensee breached any term of this Agreement or of the License Agreement. This termination will be without prejudice to any right or claims Licensor may have and all rights granted under this Agreement will immediately revert to Licensor. If Licensor terminates this Agreement, Licensee agrees to return to Licensor all property of and/or materials supplied by Licensor immediately after the termination.

The termination or expiration of this Agreement or of the License Agreement for any reason whatsoever will not relieve Licensee of its obligations of confidentiality, protection and security under this Agreement, or of the restriction on copying and use as provided in this Agreement, with respect to the Abbey Road Institute Software.

Upon termination or expiration of this Agreement or of the License Agreement for any reason, Licensee agrees to immediately return to Licensor the Abbey Road Institute Software, including, without limitation, all computer software, disks, tapes and other magnetic storage media (and any

 Initials: Licensor ________ Licensee_______

future technological substitutions for any of them) in good condition, allowing for normal wear and tear.

9.02 Cross-Default

Any default or breach by Licensee (or any of its affiliates) of any other agreement between Licensor, or its parent or the subsidiary, affiliate or designee of either entity (collectively, Licensor's "Affiliates") and Licensee (or any of its affiliates) will be deemed a default under this Agreement, and any default or breach of this Agreement by Licensee (or any of its affiliates) will be deemed a default or breach under any and all other agreements between Licensor (or any of its Affiliates) and Licensee (or any of its affiliates). If the nature of such default under any other agreement would have permitted Licensor to terminate this Agreement if default had occurred under this Agreement, then Licensor (or its Affiliates) will have the right to terminate all the other agreements between Licensor (or its Affiliates) and Licensee (or any of its affiliates) in the same manner provided for in this Agreement for termination of this Agreement.

10. BINDING EFFECT

10.01 Binding Effect

Licensee agrees that this Agreement binds the named Licensee and each of its employees, agents, representatives and persons associated with it. This Agreement further binds each affiliated and subsidiary firm, corporation, or other organization and any person, firm, corporation or other organization with which the Licensee may enter a joint venture or other cooperative enterprise.

11. SECURITY INTEREST

11.01 Security Interest

Licensee hereby gives to Licensor a security interest in and to the Abbey Road Institute Software and other materials furnished under this Agreement as security for Licensee's performance of all its obligations under this Agreement, together with the right, without liability, to repossess the Abbey Road Institute Software and other materials licensed under this Agreement, with or without notice, in the event of default in any of Licensee's obligations under this Agreement.

12. WAIVER OR DELAY; INTEGRATION; AMENDMENT

12.01 Waiver or Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement shall be construed as a waiver by such party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement; and, without limitation upon any of the foregoing, the acceptance of any payment specified to be paid by Licensee under this Agreement shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

12.02 Integration

This Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that, and that this Agreement is not to limit any rights that Licensor may have under trade secret, copyright, patent, or other laws that may be available to it. Licensee acknowledges that that the Agreement does not include any other prior or contemporaneous promises, representations, or descriptions regarding the Software, or that if any such promises, representations, or descriptions were made, Licensee is not relying on them. Notwithstanding the foregoing however, nothing in this Section is intended to disclaim the representations Licensor made in the License Disclosure Document that it provided to Licensee.

12.03 Amendment

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties hereto.

13. DISCLAIMER

13.01 DISCLAIMER

LICENSOR WARRANTS AND REPRESENTS THAT IT HAS THE AUTHORITY TO EXTEND THE RIGHTS GRANTED TO LICENSEE IN THIS AGREEMENT. THIS EXPRESS WARRANTY IS EXCLUSIVE AND IN LIEU OF, AND LICENSOR HEREBY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS OR ADEQUACY FOR ANY PARTICULAR PURPOSE OR USE (WHETHER OR NOT LICENSOR KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE); WARRANTIES OF QUALITY OR PRODUCTIVENESS, CAPACITY, ACCURACY OR SYSTEM INTEGRATION; IMPLIED WARRANTIES AGAINST INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; AND, WARRANTIES AGAINST INTERFERENCE WITH LICENSEE'S ENJOYMENT OF THE LICENSED INFORMATION OR LICENSED INFORMATIONAL RIGHTS. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE LICENSED SOFTWARE AND OTHER INFORMATION MADE AVAILABLE HEREUNDER BY LICENSOR ARE MADE AVAILABLE ON AN "AS-IS" BASIS AND THAT THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH LICENSEE. LICENSOR WILL NOT BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT, OR OTHERWISE) TO LICENSEE, THIRD PARTIES, OR ANY OTHER PERSON CLAIMING THROUGH OR UNDER LICENSEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, LOST DATA, DOWNTIME COSTS, LOST PROFITS AND/OR LOST BUSINESS, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, ANY OF THE LICENSED SOFTWARE, MATERIALS OR INFORMATION FURNISHED, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, COMPUTER FAILURE OR MALFUNCTION, BUSINESS INTERRUPTION OR ANY AND ALL OTHER COMMERCIAL DAMAGES OR LOSSES, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, REGARDLESS OF THE THEORY OF LIABILITY (WHETHER TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE), EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY WILL ARISE OR FLOW OUT OF LICENSOR'S RENDERING OF TECHNICAL OR OTHER ADVICE IN CONNECTION WITH THE SOFTWARE OR ANY EQUIPMENT USED WITH THE SOFTWARE. LICENSOR DOES NOT REPRESENT OR WARRANT THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE OR MEET ANY SPECIFIC REQUIREMENTS, THAT THE SOFTWARE WILL BE FREE OF VIRUSES, WORMS, OTHER HARMFUL COMPONENTS OR OTHER PROGRAM LIMITATIONS OR THAT ANY DEFECTS OR ERRORS IN THE SOFTWARE WILL BE CORRECTED. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT. NO AGENT OF LICENSOR IS AUTHORIZED TO ALTER OR EXCEED THE WARRANTY OBLIGATIONS OF LICENSOR AS SET FORTH HEREIN. NO USE OF THE PRODUCT IS AUTHORIZED HEREUNDER EXCEPT UNDER THIS DISCLAIMER; PROVIDED, HOWEVER, THAT SOME STATES OR JURISDICTIONS DO NOT ALLOW EXCLUSIONS OF AN IMPLIED WARRANTY AND SOME STATES OR JURISDICTIONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THAT THIS DISCLAIMER MAY NOT APPLY TO LICENSEE. TO THE EXTENT THAT LICENSOR MAY NOT, AS A MATTER OF APPLICABLE LAW, DISCLAIM ANY WARRANTY, THE SCOPE AND DURATION OF SUCH WARRANTY SHALL BE THE MINIMUM PERMITTED UNDER APPLICABLE LAW.

14. LIMITATION OF LIABILITY

14.01 LIMITATION OF LIABILITY

LICENSOR'S LIABILITY FOR DAMAGES UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION AND REGARDLESS OF THE LEGAL THEORY, WILL NOT EXCEED THE COST OF REPLACEMENT OF THE SOFTWARE LICENSED UNDER THIS AGREEMENT. THIS WILL BE LICENSEE'S SOLE AND EXCLUSIVE REMEDY. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF ANY PARTY'S OBLIGATIONS UNDER THIS AGREEMENT MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED, EXCEPT THAT AN ACTION FOR NONPAYMENT MAY BE BROUGHT WITHIN ONE YEAR OF THE DATE OF LAST PAYMENT.

15. SEVERABILITY

15.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

16. GOVERNING LAW; VENUE

16.01 Governing Law

This Agreement; all relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the jurisdiction whose law controls the License Agreement, without recourse to such jurisdiction’s (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of such jurisdiction, and if the licensed business is located outside of such jurisdiction and the provision would be enforceable under the laws of the state in which the licensed business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section intended to invoke the application of any license, business opportunity, antitrust, "implied covenant", unfair competition, unfair or deceptive trade practice, fiduciary or any other doctrine of law of such jurisdiction or any other state or country, which would not otherwise apply.

16.02 Venue

Any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity, breach or termination (the “Dispute” shall be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules (the “LCIA Rules”), which LCIA Rules are deemed to be incorporated by reference into this clause. The Dispute shall be heard before an arbitral tribunal consisting of three arbitrators appointed by the London Court of International Arbitration (the “LCIA”). The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. The parties hereto undertake to keep the arbitration proceedings and all information, pleadings, documents, evidence and all matters relating thereto confidential.

Licensee agrees that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by the LCIA. Licensee hereby waives and covenants never to assert or claim that this venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of *forum non conveniens*).

Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief to enforce Licensor's or its affiliates' Proprietary Marks, rights to confidentiality or non-competition under the License Agreement for an Abbey Road Institute as executed by Licensee, or involving possession or disposition of, or other relief relating to, such Institute or its Location, Licensor may bring such an action in any state or federal district court or other court of competent jurisdiction.

17. COSTS OF ENFORCEMENT; ATTORNEYS' FEES

17.01 Costs of Enforcement

Licensor will be entitled to recover from Licensee reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if Licensor prevails in any action instituted against Licensee in order to secure or protect those rights inuring to Licensor under this Agreement, or to enforce the terms of this Agreement.

17.02 Attorneys' Fees

If Licensor becomes a party to any litigation or other proceeding concerning this Agreement by reason of any act or omission of Licensee or Licensee's authorized representatives and not by any act or omission of Licensor or any act or omission of Licensor's authorized representatives, or if Licensor becomes a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, Licensee will be liable to Licensor for reasonable attorneys' fees, experts' fees and court costs incurred by Licensor in the litigation or other proceeding regardless of whether the litigation or other proceeding or action proceeds to judgment. In addition, Licensor will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to its proof of claim in any insolvency proceedings filed by Licensee.

18. SUBMISSION OF AGREEMENT

18.01 Submission of Agreement

The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon execution of this Agreement by both Licensor and Licensee. Licensor's date of execution will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON LICENSOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF LICENSOR. LICENSEE HAS READ ALL OF THE FOREGOING AGREEMENT AND HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS THEREOF.

Dated: ____________________

Attest:

____
Witness/Date

LICENSEE:

If a corporation or other entity:

____
(Name of Corporation or Other Entity)

By:____

Its____
(Title)

____
(Print Name)

If an individual:

____
(Signature)

____
(Print Name)

____
(Signature)

____
(Print Name)

Dated: ___________________

Attest:

____
Witness/Date

LICENSOR:

ABBEY ROAD INSTITUTE, LLC

By: ABBEY ROAD TRAINING LIMITED,
SOLE MEMBER OF ABBEY ROAD INSTITUTE, LLC

By: ____

Its: ____
(Title)

Name: _____________________________________
(Print Name)

Initials: Licensor ________ *Licensee*_______

EXHIBIT E
CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: ______________________________

LICENSEE: ______________________________

HOME ADDRESS: ______________________________

____

HOME TELEPHONE: ______________________________

CLASSIFICATION: ______________________________
(Owner, Shareholder, Officer, Director, Attorney, Employee, Etc.)

___________________________ ("Licensee") is a Licensee of ABBEY ROAD INSTITUTE, LLC ("Licensor") pursuant to a License Agreement entered into by Licensee and Licensor dated _______________________ (the "License Agreement") regarding the establishment of a licensed Abbey Road Institute business ("Business"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the License Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Licensee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Licensee and/or Licensor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Licensee and/or Licensor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Licensor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by Licensor and/or Licensee (or any of their respective affiliates) which concerns Licensee's or Licensor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Licensor's Manual (including Supplements to the Manual); all specifications, procedures, systems, techniques and activities employed by Licensor or by Licensee in the offer and sale of programs, products and/or services at or from the licensed Business; all pricing paradigms established by Licensor or Licensee; all of Licensor's and/or Licensee's 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 suppliers); Licensor's specifications, and Licensee's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Licensee's Institute; the identify of, and all information relating to, the computer and POS hardware and software utilized by Licensor and Licensee; all information pertaining to Licensor's and Licensee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all student and other customer lists, data and records generated and/or otherwise maintained by the licensed Business; Licensor's internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Licensor's training and other instructional programs and materials; all elements of Licensor's recommended staffing, staff training and staff certification policies and procedures; all communications between Licensor and Licensee; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Licensor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Licensor or its affiliates, now or in the future, designate as confidential.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Licensor or Licensee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of two (2) years immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage in, aid, assist, serve or participate in any other business that operates a school that provides training services, through the provision of courses, seminars and other instructional services in the music production or audio engineering fields (a "Competitive Business"); which offers or sells similar or related programs, Courses, products or services; which engages in any of the activities which the License Agreement contemplates that Licensee will engage in; or, which offers or sells any other program, Courses, product, service or component which now or in the future is part of the Abbey Road System, or any confusingly similar program, Courses, product or service.

For a period of two (2) years immediately following the expiration or termination of my employment/service/association/ownership participation, I agree that I am prohibited from engaging in any Competitive Business, if such Competitive Business is located within ten (10) miles of Licensee's Institute Location or within ten (10) miles of any other licensed or company-owned Abbey Road Institute or Business (regardless of how established or operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Licensee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Licensor and Licensee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Licensor or Licensee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Licensor's Confidential Information. Further, I expressly agree that any claims I may have against Licensor will not constitute a defense to Licensor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Licensor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Licensee and/or Licensor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Licensee or Licensor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the licensed Business is located outside of New York and the provision would be enforceable under the laws of the state in which the licensed Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any license, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any dispute, controversy or claim arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Licensee or Licensor on the other hand, whether sounding in contract, tort, or otherwise, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules (the “LCIA Rules”), which LCIA Rules are deemed to be incorporated by reference into this clause. The Dispute shall be heard before an arbitral tribunal consisting of three arbitrators appointed by the London Court of International Arbitration (“LCIA”). The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. I agree that any dispute as to the venue for this arbitration will be submitted to and resolved exclusively by the LCIA. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief to enforce Licensor’s Proprietary Marks, rights to confidentiality or non-competition under the License Agreement, or involving possession or disposition of, or other relief relating to, the Business, Institute or its Location, Licensor may bring such an action in any state or federal district court or other court of competent jurisdiction.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I understand that the rights and remedies of Licensor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. I further understand and agree that my and Licensee's respective obligations tor hereunder may not be assigned by me or Licensee, without the prior written consent of Licensor.

Witnessed By:

____
(Print Name)

____
Witness/Date

____
(Signature)

____
(Date)

EXHIBIT F
CONFIDENTIALITY AGREEMENT
ACADEMIC DIRECTOR

CONFIDENTIALITY AGREEMENT – ACADEMIC DIRECTOR

NAME: ____

LICENSEE: ____

HOME ADDRESS: ____

____

HOME TELEPHONE: ____

CLASSIFICATION: **_Employee_**_____________________________________

__________________________ ("Licensee") is a Licensee of ABBEY ROAD INSTITUTE, LLC ("Licensor") pursuant to a License Agreement entered into by Licensee and Licensor dated ______________________ (the "License Agreement") regarding the establishment of a licensed Abbey Road Institute business ("Business"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the License Agreement.

I agree that during the term of my employment by association with or service to Licensee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Licensee and/or Licensor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Licensee and/or Licensor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Licensor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by Licensor and/or Licensee (or any of their respective affiliates) which concerns Licensee's or Licensor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Licensor's Manual (including Supplements to the Manual); all specifications, procedures, systems, techniques and activities employed by Licensor or by Licensee in the offer and sale of programs, products and/or services at or from the licensed Business; all pricing paradigms established by Licensor or Licensee; all of Licensor's and/or Licensee's 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 suppliers); Licensor's specifications, and Licensee's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Licensee's Institute; the identify of, and all information relating to, the computer and POS hardware and software utilized by Licensor and Licensee; all information pertaining to Licensor's and Licensee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all student and other customer lists, data and records generated and/or otherwise maintained by the licensed Business; Licensor's internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Licensor's training and other instructional programs and materials; all elements of Licensor's recommended staffing, staff training and staff certification policies and procedures; all communications between Licensor and Licensee; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Licensor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Licensor or its affiliates, now or in the future, designate as confidential.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Licensor or Licensee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I acknowledge that violation of the restrictions on the use of confidential information contained in this Agreement would result in immediate and irreparable injury to Licensor and Licensee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Licensor or Licensee (or both) prohibiting any conduct by me in violation of the terms of the restrictions on the use of confidential information set forth in this agreement. I expressly agree that any claims I may have against Licensor will not constitute a defense to Licensor's enforcement of the restrictions on the use of confidential information set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Licensor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Licensee and/or Licensor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Licensee or Licensor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the licensed Business is located outside of New York and the provision would be enforceable under the laws of the state in which the licensed Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any license, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any dispute, controversy or claim arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Licensee or Licensor on the other hand, whether sounding in contract, tort, or otherwise, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules (the “LCIA Rules”), which LCIA Rules are deemed to be incorporated by reference into this clause. The Dispute shall be heard before an arbitral tribunal consisting of three arbitrators appointed by the London Court of International Arbitration (the “LCIA”). The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. I agree that any dispute as to the venue for this arbitration will be submitted to and resolved exclusively by the LCIA. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief to enforce Licensor’s Proprietary Marks, rights to confidentiality or non-competition under the License Agreement, or involving possession or disposition of, or other relief relating to, the Business, the Institute or its Location, Licensor may bring such an action in any state or federal district court or other court of competent jurisdiction.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I understand that the rights and remedies of Licensor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. I further understand and agree that my and Licensee’s respective obligations tor hereunder may not be assigned by me or Licensee, without the prior written consent of Licensor.

Witnessed By:

____
(Print Name)

____
Witness/Date

____
(Signature)

____
(Date)

EXHIBIT G
GUARANTEE OF ABBEY ROAD INSTITUTE, LLC LICENSE AGREEMENT

GUARANTEE OF
ABBEY ROAD INSTITUTE, LLC LICENSE AGREEMENT

In consideration of the execution by ABBEY ROAD INSTITUTE, LLC ("Licensor") of the License Agreement (the "License Agreement") dated the _________ day of ___________, 20____, between ABBEY ROAD INSTITUTE, LLC ("Licensor") and ____ ("Licensee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the punctual payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said License Agreement and in any other agreement(s) by and between Licensee and Licensor.

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

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking (including the noncompetition, confidentiality and transfer requirements) contained and set forth in said License Agreement and any other agreement(s) by and between Licensee and Licensor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the License Agreement and any other agreement(s) by and between Licensee and Licensor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the License Agreement may be amended, compromised, released or otherwise altered by Licensor and Licensee, and the undersigned do guarantee and promise to perform all the obligations of Licensee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the License Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Licensor and Licensee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Licensor or any other person may deal in any manner with Licensee, any of the undersigned, any party to the License Agreement or any other person.

Should Licensee be in breach or default under the License Agreement or any other agreement(s) by and between Licensee and Licensor, Licensor may proceed directly against any or each of the undersigned without first proceeding against Licensee and without proceeding against or naming in such suit any other Licensee, signatory to the License Agreement or any others of the undersigned. The undersigned agree to bear any and all Licensor's costs of collection hereunder, including all court costs and expenses, attorneys' fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Licensee or any of the undersigned shall be deemed notice to or demand upon Licensee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Licensee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the License Agreement, or under any other agreement(s) between Licensor and Licensee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Licensor or its agents, successors or assigns, with respect to the License Agreement or any other agreement(s) by and between Licensee and Licensor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Licensor, its successors and assigns. This

Guarantee may be assigned by Licensor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of New York, and if the business licensed under the License Agreement is located outside of New York and the provision would be enforceable under the laws of the state in which the licensed business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

Any dispute, controversy or claim (the “Dispute”) arising out of or related to this Guarantee will be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules (the “LCIA Rules”), which LCIA Rules are deemed to be incorporated by reference into this clause. The Dispute shall be heard before an arbitral tribunal consisting of three arbitrators appointed by the London Court of International Arbitration (“LCIA”). The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by the LCIA. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens). Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief to enforce Licensor’s Proprietary Marks, rights to confidentiality or non-competition under the License Agreement, or involving possession or disposition of, or other relief relating to, the Institute or its Location, Licensor may bring such an action in any state or federal district court or other court of competent jurisdiction.

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the License Agreement.

Attest:

By:________________________

____
Signature

____
Printed Name

____

____
Address

Attest:

By:________________________

____
Signature

____
Printed Name

____

____
Address

EXHIBIT H

GENERAL RELEASE –TERMINATION

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That ______________________ [a corporation organized under the laws of the State of __________][an individual domiciled in the State of ______________] as RELEASOR, in connection with the termination of the Institute License Agreement between RELEASOR and ABBEY ROAD INSTITUTE, LLC (the "License Agreement"), and other good and valuable consideration, hereby releases and discharges ABBEY ROAD INSTITUTE, LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the License Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the License Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law are excluded from this release, and that all rights enjoyed by RELEASOR under said License Agreement and any causes of action arising in his, her or its 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, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM WOULD HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) *has executed this RELEASE*, and (if a corporation) has *caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on* _____________, _____.

RELEASOR

[SEAL]

By__________________________

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF ______________________

ss.:

COUNTY OF ____________________

On ________________,_____ before me ____,

personally came __________________, to me known, who, by me duly sworn, did depose and day that deponent resides at ____, that deponent is the ___________ of ______________, the corporation described in the foregoing RELEASE, and which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation; and that deponent signed deponent's name by like order.

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

Notary Public

____

My Commission expires: ______________________________

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF ______________________

ss.:

COUNTY OF ____________________

On this __ day of __________, ______, before me ______________________, the undersigned
(Name of Notary)
officer, personally appeared __________________, to me personally known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for the uses and purposes therein set forth.

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

Notary Public

____

My Commission expires: ______________________________

(NOTARIAL SEAL)

EXHIBIT I

GENERAL RELEASE – SUCCESSOR AGREEMENT

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That ______________________ [a corporation organized under the laws of the State of __________][an individual domiciled in the State of ______________] as RELEASOR, in consideration of the execution by ABBEY ROAD INSTITUTE, LLC of a Successor Institute License Agreement renewing the license between RELEASOR and ABBEY ROAD INSTITUTE, LLC (the "License Agreement"), and other good and valuable consideration, hereby releases and discharges ABBEY ROAD TRAINING INSTITUTE, LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the License Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the License Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law are excluded from this release, and that all rights enjoyed by RELEASOR under said License Agreement and any causes of action arising in his, her or its 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, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM WOULD HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) *has executed this RELEASE*, and (if a corporation) has *caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on* _____________, _____.

RELEASOR

[SEAL]

By_________________________

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF ________________________

ss.:

COUNTY OF ______________________

On _________________,_____ before me ____, personally came ___________________, to me known, who, by me duly sworn, did depose and day that deponent resides at ____, that deponent is the ____________ of _______________, the corporation described in the foregoing RELEASE, and which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation; and that deponent signed deponent's name by like order.

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

Notary Public

____

My Commission expires: _________________________________

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF ________________________

ss.:

COUNTY OF ______________________

On this __ day of __________, _______, before me ____________________, the undersigned
(Name of Notary)
officer, personally appeared ___________________, to me personally known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for the uses and purposes therein set forth.

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

Notary Public

____

My Commission expires: _________________________________

(NOTARIAL SEAL)

EXHIBIT J

GENERAL RELEASE - ASSIGNMENT

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That ______________________ [a corporation organized under the laws of the State of __________][an individual domiciled in the State of ______________] as RELEASOR, in consideration of the consent of ABBEY ROAD INSTITUTE, LLC to the Assignment of the Institute License Agreement between RELEASOR and ABBEY ROAD INSTITUTE, LLC (the "License Agreement") to ______________________, and other good and valuable consideration, hereby releases and discharges ABBEY ROAD INSTITUTE, LLC as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the License Disclosure Document that RELEASEE provided to RELEASOR; provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law are excluded from this release, and that all rights enjoyed by RELEASOR under said License Agreement and any causes of action arising in his, her or its 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, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM WOULD HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) *has executed this RELEASE*, and (if a corporation) has *caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on* _____________, _____.

RELEASOR

[SEAL]

By_________________________

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _______________________
ss.:
COUNTY OF _____________________

On _________________,_____ before me ____,

personally came ___________________, to me known, who, by me duly sworn, did depose and day that deponent resides at ____, that deponent is the ___________ of ______________, the corporation described in the foregoing RELEASE, and which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation; and that deponent signed deponent's name by like order.

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

Notary Public

____

My Commission expires: ________________________________

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _______________________
ss.:
COUNTY OF _____________________

On this __ day of __________, _______, before me ____________________, the undersigned
(Name of Notary)
officer, personally appeared ___________________, to me personally known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for the uses and purposes therein set forth.

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

Notary Public

____

My Commission expires: ________________________________

(NOTARIAL SEAL)

EXHIBIT K
LISTING OF OWNERS OF LICENSEE AND OWNERSHIP INTERESTS

Effective Date: This Exhibit K is current and complete as of ____________________ , 20___

1. **Form of Licensee Owner**. (Please select either (a) or (b) below).

   (a) **Individual Proprietorship**. List individual(s):

   Name:
   ____

   Name:
   ____

   Name:
   ____

   Name:
   ____

   (b) **Corporation, Limited Liability Company, or Partnership**. (CIRCLE ONE) Licensee was incorporated or formed on _________________________, under the laws of the State of ______________________. Licensee has not conducted business under any name other than its corporate, limited liability company, or partnership name and ____.

2. **Owners, Directors/Officers**. The following list includes the full name and address of each person who is one of your (Licensee's) owners, shareholders, members, partners, directors, officers or an owner of one of your owners, and fully describes the nature of each of their respective ownership interest (attach additional pages, if necessary).

Name: ______________________________ Address: ____________________________ ____________________________ Type of Interest: ______________________ Number Units Owned: _________________ Number Entitled to Vote: _______________ % of Total Units of Licensee: ______ Title (if officer or director): ______________	Name: ______________________________ Address: ____________________________ ____________________________ Type of Interest: ______________________ Number Units Owned: _________________ Number Entitled to Vote: _______________ % of Total Units of Licensee: ______ Title (if officer or director): ______________
Name: ______________________________ Address: ____________________________ ____________________________ Type of Interest: ______________________ Number Units Owned: _________________ Number Entitled to Vote: _______________ % of Total Units of Licensee: ______ Title (if officer or director): ______________	Name: ______________________________ Address: ____________________________ ____________________________ Type of Interest: ______________________ Number Units Owned: _________________ Number Entitled to Vote: _______________ % of Total Units of Licensee: ______ Title (if officer or director): ______________

3. **Identification of the Business Manager**. The shareholder, member, partner or other individual who is responsible for overseeing and supervising the operation of the licensed Business and Institute as of the Effective Date is ____.

4. **Update of Exhibit K**. You and your owners agree to update, sign and deliver to us from time to time a revised Exhibit K to reflect all future permitted changes in this information.

LICENSEE:

[Print Name of Licensee Entity]

By: ______________________________________
Name: ____________________________________
Title: _____________________________________

RECEIPT ACKNOWLEDGED:

LICENSOR:

ABBEY ROAD INSTITUTE, LLC

By: ABBEY ROAD TRAINING LIMITED,
Sole Member of Abbey Road Institute, LLC

Name: ________________________________
Title: ________________________________

EXHIBIT L
SCHOLARSHIP PROGRAM CONSENT PROCESS

It is an obligation of the Licensee to submit a written request to the Licensor to seek approval for the offer of any scholarship to be awarded to any Main Course applicants.

Such request must detail:

A. the scholarship awarding criteria (e.g. based on: submission of material or on financial situation or any other specific entry requirement).

B. the number of scholarships that the Licensee is proposing to award, specifying to which course such scholarships will be awarded.

The Licensor will consider such Licensee's request from a marketing and academic perspective and, at its sole discretion, approve where deemed appropriate.

The Licensee must plan scholarships during course planning and forecasting on a yearly basis, prior to the commencement of the calendar year in which the scholarship(s) are envisaged to be awarded. Accordingly, any written scholarship proposal should be also submitted by the Licensee to the Licensor at this point in time.

Scholarships, discounts and grants that the Licensee may award from time to time (subject to Licensor's prior written approval) shall not correspond to a reduction in the student royalties applicable for those student beneficiaries. Notwithstanding this the Licensee may, in extraordinary circumstances, ask the Licensor for a waiver or part waiver of those corresponding royalties. In such eventuality, the Licensee will need to submit a formal request to the Licensor. The approval of such request is at the sole discretion of the Licensor, and is subject to:

C. the approval of points A and B above by the Licensor.

D. the suitability of scholarships offered to a specific course in the light of the course target student number as well as to other financial factors.

For the avoidance of doubt, the Licensor may, at its sole discretion, approve a scholarship initiative but this shall not discharge the Licensee from the obligation of the payment of the corresponding and applicable student royalties (unless the Licensor approves in writing a waiver or part waiver of those corresponding royalties).

Approval of (i) scholarship awarding criteria and (ii) any potential consequent Student Royalties waiver or part waiver will be confirmed in writing by the Licensor to the Licensee. For avoidance of doubt, such approval can be only confirmed to the Licensee by the Abbey Road Training Limited CEO. Any related conversation or feedback received from other Abbey Road Training Limited employees or partners does not constitute approval of the submitted requests.

EXHIBIT M
REQUIRED COURSES

Advanced Diploma in Music Production and Sound Engineering (Full Time)

Advanced Diploma in Music Production and Sound Engineering (Part Time)

EXHIBIT B

FINANCIAL STATEMENTS

ABBEY ROAD INSTITUTE, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

PERIOD FROM AUGUST 16, 2021 (INCEPTION)
THROUGH DECEMBER 31, 2021

ABBEY ROAD INSTITUTE, LLC
(A Limited Liability Company)
FOR THE PERIOD FROM AUGUST 16, 2021 (INCEPTION)
THROUGH DECEMBER 31, 2021

Table of Contents

CITRINCOOPERMAN®

Citrin Cooperman & Company, LLP
Certified Public Accountants

50 Rockefeller Plaza
New York, NY 10020
T 212.697.1000 **F** 212.697.1004
citrincooperman.com

INDEPENDENT AUDITOR'S REPORT

To the Member
Abbey Road Institute, LLC

Opinion

We have audited the accompanying financial statements of Abbey Road Institute, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2021, and the related statements of operations and member's equity and cash flows for the period from August 16, 2021 (inception) through December 31, 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Abbey Road Institute, LLC as of December 31, 2021, and the results of its operations and its cash flows for the period from August 16, 2021 (inception) through December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Abbey Road Institute, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Abbey Road Institute, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Citrin Cooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
January 26, 2022

ABBEY ROAD INSTITUTE, LLC
(A Limited Liability Company)
BALANCE SHEET
DECEMBER 31, 2021

ASSETS

Cash	$	500,823
TOTAL ASSETS	$	500,823

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:		
Accrued expenses	$	800
Due to parent		1,250
Total current liabilities		2,050
Commitments and contingencies (Note 4)		
Member's equity		498,773
TOTAL LIABILITIES AND MEMBER'S EQUITY	$	500,823

See accompanying notes to financial statements.

ABBEY ROAD INSTITUTE, LLC
(A Limited Liability Company)
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
FOR THE PERIOD FROM AUGUST 16, 2021 (INCEPTION)
THROUGH DECEMBER 31, 2021

Revenue	$ -
Operating expenses	1,227
Net loss	(1,227)
Member's equity - beginning	-
Member contributions	500,000
MEMBER'S EQUITY - ENDING	$ 498,773

See accompanying notes to financial statements.

ABBEY ROAD INSTITUTE, LLC
(A Limited Liability Company)
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM AUGUST 16, 2021 (INCEPTION)
THROUGH DECEMBER 31, 2021

Cash flows from operating activities:		
Net loss	$	(1,227)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accrued expenses		800
Due to related parties		1,250
Net cash provided by operating activities		823
Cash provided by financing activities:		
Member contributions		500,000
Net increase in cash		500,823
Cash - beginning		-
CASH - ENDING	$	500,823

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Abbey Road Institute, LLC (the "Company"), a wholly-owned subsidiary of Abbey Road Training Limited (the "Parent" or "Licensor"), was formed on August 16, 2021, as a Delaware limited liability company to sell licenses pursuant to a cross-license agreement dated November 18, 2021, between the Company and the Licensor. Pursuant to the Company's standard license agreement, licensees will operate a business under the "Abbey Road Institute" name and system that provides, to its customers in the United States, training services, through the provision of various courses, seminars and other instructional services in the music production and audio engineering fields to students, as well as other related programs, products and services. The Company has not had significant operations from inception through December 31, 2021.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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

Income taxes
The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

Uncertain tax positions
The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2021.

The Parent will file income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition

The Company expects that it will derive substantially all its revenue from license agreements related to license fee revenue, royalty revenue and transfer fees. No such license agreements have been executed as of the date these financial statements were available to be issued.

Contract consideration from licensees is expected to consist primarily of initial or renewal license fees, sales-based royalties, and transfer fees payable by a licensee for the transfer of their franchise unit to another licensee. The initial license fees are nonrefundable and collectible when the underlying license agreement is signed by the licensee. Sales-based royalties are payable in connection with the commencement of the courses offered by the franchise, as defined in the license agreement. Renewal and transfer fees are due from licensees when an existing licensee renews the license agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the license agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under FASB Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02"), will be recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the licensee with relevant general business information that is separate from the operation of a Company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct as it provides a benefit to the licensee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each license agreement.

The Company will estimate the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial license fees and the fixed consideration under the license agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific will be recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 will be recognized when those performance obligations are satisfied.

Initial and renewal license fees allocated to the right to access the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective license agreement.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Royalties will be earned as a percentage of licensee gross sales ("sales-based royalties") over the term of the license agreement, as defined in each respective license agreement. License royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property will be recognized as licensee sales occur and the royalty is deemed collectible.

Other revenues

The Company will recognize revenue from other fees and other services provided to the licensees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of licenses and amortize them over the term of the license agreement.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through January 26, 2022, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. CONCENTRATIONS OF CREDIT RISK

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

NOTE 4. LICENSE AGREEMENT

On November 18, 2021, the Company entered into a 20-year non-exclusive cross-license agreement, renewable for an additional 20-year term, with the Licensor for the use of various registered names, including but not limited to "Abbey Road Institute," as defined in the agreement (the "License Agreement"). Pursuant to the License Agreement, the Company acquired the right to sell "Abbey Road Institute" licenses, and the right to earn license fees, royalties and other fees from licensees. In accordance with the License Agreement, the Company will pay the Licensor a one-time license fee of $1, resulting from the use or exploitation of the Licensed Property, as defined. An additional license fee, as defined, will be paid upon renewal.

EXHIBIT C

STATE FRANCHISE ADMINISTRATORS

STATE FRANCHISE ADMINISTRATORS

CALIFORNIA

California Commissioner of the
Department of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(866) 275-2677

EXHIBIT D

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

If a state is not listed below, Abbey Road Institute, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Abbey Road Institute, LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed below.

CALIFORNIA

California Commissioner of the
Department of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

EXHIBIT E

ADDENDUM TO LICENSE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

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

Notwithstanding anything to the contrary set forth in the License Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

ITEM 6 OTHER FEES

1. The highest interest rate permitted under California law is 10%.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

2. The License 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).

3. The License Agreement contains a provision requiring application of the laws of New York. This provision may not be enforceable under California law.

4. The License Agreement requires venue to be limited to the London Court of International Arbitration. This provision may not be enforceable under California law.

5. The License Agreement contains a covenant not to compete which extends beyond the termination of the license. This provision may not be enforceable under California law.

6. You must sign a general release of claims if you obtain a successor term or transfer your license. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.

8. 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.

9. California Corporations Code, Section 31119, states that it is unlawful to sell any franchise in California that is subject to registration under this law without first providing to the prospective licensee, at least 14 days prior to the execution by the prospective licensee of any binding license or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the offering circular, together with a copy of all proposed agreements relating to the sale of the franchise.

10. Neither the licensor nor any person or franchise broker disclosed 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.

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

EXHIBIT F

STATE EFFECTIVE DATES PAGE

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective
California	Pending
Hawaii	Not effective
Illinois	Not effective
Indiana	Not effective
Maryland	Not effective
Michigan	Not effective
Minnesota	Not effective
New York	Not effective
North Dakota	Not effective
Rhode Island	Not effective
South Dakota	Not effective
Virginia	Not effective
Washington	Not effective
Wisconsin	Not effective

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 G
RECEIPT

RECEIPT

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

If Abbey Road Institute, LLC offers you a license, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York 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 license 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 license or other agreement or the payment of any consideration, whichever occurs first.

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

The licensor is Abbey Road Institute, LLC, located at 4 Pancras Square, London N1C 4AG, United Kingdom. Its telephone number is +44 (0)(20) 7266-7397.

Issuance date: January 31, 2022.

The franchise seller for this offering is Luca Barassi, Carlos Lellis, Hannah Fitzgerald, _______________, Abbey Road Institute, LLC, 14 Pancras Square, London N1C 4AG, United Kingdom, +44 (0)(20) 7266-7397.

Abbey Road Institute, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a disclosure document dated January 31, 2022, that included the following Exhibits:

EXHIBIT A LICENSE AGREEMENT AND RELATED MATERIALS (Including the forms of General Release as Exhibits H, I and J)

EXHIBIT B FINANCIAL STATEMENTS

EXHIBIT C STATE ADMINISTRATORS

EXHIBIT D AGENTS FOR SERVICE OF PROCESS

EXHIBIT E LIST OF LICENSEES

EXHIBIT F STATE ADDENDA TO DISCLOSURE DOCUMENT

EXHIBIT G STATE EFFECTIVE DATES PAGE

EXHIBIT H RECEIPTS

Dated: ___________________________	PROSPECTIVE LICENSEE:
If a corporation or other business entity:	If an individual:
____________________________________ (Name of Entity)	______________________________ (Signature)
By:__________________________________	______________________________ (Print Name)
Its__________________________________ (Title)	______________________________ (Signature)
____________________________________ (Print Name)	______________________________ (Print Name)

You may return the signed receipt either by signing, dating, and mailing it to Abbey Road Institute, LLC at 14 Pancras Square, London N1C 4AG, United Kingdom or by electronically executing, dating and returning it through the electronic signature platform that we require.

,

RECEIPT

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

If Abbey Road Institute, LLC offers you a license, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York 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 license 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 license or other agreement or the payment of any consideration, whichever occurs first.

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

The licensor is Abbey Road Institute, LLC, located at 4 Pancras Square, London N1C 4AG, United Kingdom. Its telephone number is +44 (0)(20) 7266-7397.

Issuance date: January 31, 2022.

The franchise seller for this offering is Luca Barassi, Carlos Lellis, Hannah Fitzgerald, _______________, Abbey Road Institute, LLC, 14 Pancras Square, London N1C 4AG, United Kingdom, +44 (0)(20) 7266-7397.

Abbey Road Institute, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a disclosure document dated January 31, 2022, that included the following Exhibits:

EXHIBIT A LICENSE AGREEMENT AND RELATED MATERIALS (Including the forms of General Release as Exhibits H, I and J)

EXHIBIT B FINANCIAL STATEMENTS

EXHIBIT C STATE ADMINISTRATORS

EXHIBIT D AGENTS FOR SERVICE OF PROCESS

EXHIBIT E LIST OF LICENSEES

EXHIBIT F STATE ADDENDA TO DISCLOSURE DOCUMENT

EXHIBIT G STATE EFFECTIVE DATES PAGE

EXHIBIT H RECEIPTS

Dated: ____________________________
If a corporation or other business entity:

____
(Name of Entity)

By:___________________________________

Its___________________________________
(Title)

____
(Print Name)

PROSPECTIVE LICENSEE:
If an individual:

____
(Signature)

____
(Print Name)

____
(Signature)

____
(Print Name)

PLEASE KEEP THIS RECEIPT FOR YOUR RECORDS.