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FRANCHISE DISCLOSURE DOCUMENT

DEPARTMENT OF FINANCIAL
PROTECTION AND INNOVATION

FRANCHISOR

Code Ninjas, LLC

A Texas limited liability company
11200 Broadway Street, Suite 2731
Pearland, Texas 77584
(855) 446-4652
info@codeninjas.com
www.codeninjas.com



As a franchisee, you will operate a learning center providing child focused educational programs, including subjects such as computer programming, coding, math, logic and teamwork, under the name "Code Ninjas."

The total investment necessary to begin operation of a franchise under our Code Ninjas "center" model is from \$125,640 to \$333,270. This includes \$33,440 to \$41,770 that must be paid to us as the franchisor or our affiliate. The total investment necessary to begin operation of a franchise under our Code Ninjas "studio" model is from \$31,420 to \$51,940. This includes \$16,220 to \$17,940 that must be paid to the franchisor or affiliate. You will pay an additional \$80,000 to \$100,000 if you choose to add an optional Dojo2Go mobile 'edutainment' trailer to your franchise.

We may offer to enter into an area development agreement to establish and operate a certain number of Code Ninjas franchises at specific locations under individual franchise agreements. We will enter into area development agreements under which at least two Code Ninjas franchises will be developed. Under the Code Ninjas "center" model, the area development fee will be equal to \$31,000 multiplied by the number of Code Ninjas franchises to be developed under the area development agreement; under the Code Ninjas "studio" model, the area development fee will be equal to \$15,000 multiplied by the number of Code Ninjas franchises to be developed under the area development agreement. The area development fee will then be credited toward the franchise fee owed for each Code Ninjas franchise developed. Your estimated initial investment will vary based on the number of Code Ninjas locations to be developed.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive the Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Marty Flanagan, Code Ninjas, LLC, 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, (855) 446-4652, marty@codeninjas.com. The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a*

Franchise,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: April 29, 2020, as amended August 3, 2020 and October 19, 2020. .

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The Franchise Agreement and Area Development Agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out of state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate or litigate with the franchisor in Texas than in your own state.
2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
3. **Mandatory Minimum Payments**. You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
4. **Purchase of Inventory and Supplies**. You must purchase all or nearly all of the inventory and supplies necessary to operate your business from us, our affiliates, or from suppliers that we designate at prices that we or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

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.

**THE FOLLOWING PROVISIONS APPLY ONLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO

FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

* * * *

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

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATIONS AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.

* * * *

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

STATE OF MICHIGAN DEPARTMENT OF THE ATTORNEY GENERAL
G. MENNEN WILLIAMS BUILDING, 7TH FLOOR
525 W. OTTAWA STREET
LANSING, MICHIGAN 48909
TELEPHONE NUMBER: (517) 373-7117

TABLE OF CONTENTS

ITEM 1	1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
ITEM 2	6
BUSINESS EXPERIENCE	6
ITEM 3	7
LITIGATION.....	7
ITEM 4	7
BANKRUPTCY	7
ITEM 5	7
INITIAL FEES.....	7
ITEM 6	9
OTHER FEES.....	9
ITEM 7	20
ESTIMATED INITIAL INVESTMENT.....	20
ITEM 8	26
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	26
ITEM 9	32
FRANCHISEE'S OBLIGATIONS	32
ITEM 10	34
FINANCING.....	34
ITEM 11	36
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	36
ITEM 12	48
TERRITORY	48
ITEM 13	53
TRADEMARKS	53
ITEM 14	54
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	54
ITEM 15	56

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	56
ITEM 16	57
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	57
ITEM 17	57
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	57
ITEM 18	76
PUBLIC FIGURES.....	76
ITEM 19	76
FINANCIAL PERFORMANCE REPRESENTATIONS	76
ITEM 20	77
OUTLETS AND FRANCHISEE INFORMATION	77
ITEM 21	85
FINANCIAL STATEMENTS.....	85
ITEM 22	85
CONTRACTS.....	85
ITEM 23	86
RECEIPT	86

EXHIBITS

Exhibit A – State Administrators/Agents for Service of Process
 Exhibit B – State Specific Addendum
 Exhibit C – Franchise Agreement
 Exhibit D – Area Development Agreement
 Exhibit E – Non-Use and Non-Disclosure Agreement
 Exhibit F – List of Franchisees and Area Developers
 Exhibit G – List of Franchisees and Area Developers Who Have Left the System
 Exhibit H – Financial Statements
 Exhibit I – Table of Contents to Confidential Operations Manuals
 Exhibit J – General Release
 Exhibit K – FranchiCzar Agreement
 Exhibit L – Financing Documents
 Exhibit M – State Effective Dates

Receipts

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

The Franchisor

Code Ninjas, LLC, a Texas limited liability company (“we” or “us” or “our” or “Code Ninjas, LLC”), is the franchisor. We and our parent and affiliates have our principal place of business at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584. We were formed on August 17, 2016. We conduct business under the name and mark “Code Ninjas” and related names, marks and slogans.

We are a franchising company which promotes and sells franchises for the operation of Code Ninjas Centers and Code Ninjas Studios. We do not own or operate a Code Ninjas Center or Studio of the type being franchised, although we have affiliates that operate Code Ninjas Centers. Neither we nor our affiliates operate Code Ninjas Studios. We have not offered franchises in any other line of business, and we are not engaged in any business other than selling franchises for Code Ninjas Centers and Studios. We have offered Code Ninjas Centers since November 2016, and Code Ninjas Studios since the date of this Disclosure Document.

Our agent for service of process is David Graham. His principal business address is 11200 Broadway Street, Suite 2731, Pearland, Texas 77584. If we have an agent for service of process in your state, we disclose that agent in Exhibit A.

Our Parents, Affiliates and Predecessors

We are owned by our parent, FranchiCzar, LLC, a Texas limited liability company formed October 5, 2016 (“FranchiCzar”), whose principal place of business is 11200 Broadway Street, Suite 2731, Pearland, Texas 77584. FranchiCzar is ultimately owned by its parent, Graham Ventures, Inc., a Texas corporation formed April 29, 2016. FranchiCzar will be the designated supplier of certain products and services to our franchisees, including customer payment processing that you are required use, as well as digital marketing services that you may purchase, among others that we may designate. A copy of the agreement that you must sign with FranchiCzar for payment processing services is attached as Exhibit K to this Disclosure Document.

The first Code Ninjas Center began operations March 2017 at 12810 Broadway Street, Suite 160, Pearland, Texas 77584 (tel, 832-849-5110), and as of the date of this Disclosure Document, is owned by our affiliate, Code Ninjas Pearland, LLC, a Texas limited liability company formed August 29, 2016. It has no other business activities.

We have another affiliate, Ninja Ventures, LLC (“Ninja Ventures”), a Texas limited liability company formed on June 21, 2019, whose principal place of business is the same as ours. Ninja Ventures, LLC was formed to, through wholly-owned subsidiaries, operate Code Ninjas Centers and Studios. As of December 31, 2019, Ninja Ventures, LLC owned and operated one (1) Code Ninjas Center through its wholly-owned subsidiary Code Ninjas Alamo Ranch, LLC, that, as of the date of this Disclosure Document, operates a Code Ninjas center at

7915 W Loop 1604 N, Suite 115, San Antonio, TX 78254 (tel. 210-776-4652). It acquired this center on October 10, 2019. Neither of these entities has any other business activities.

Our affiliate, Thrifty Gear, LLC ("**Thrifty Gear**"), a Texas limited liability company formed on September 28, 2016, will be the designated supplier of certain business and promotional items to our franchisees, including student wristbands and scanners for check-in, robotics kits and classroom materials, uniforms, and other items.

Our affiliate, MyFit18, LLC ("**MyFit18**") was formed in Texas on October 22, 2018. MyFit18 has the same principal business address as we do. MyFit18 offers franchises for boutique fitness centers which offer technology enabled twenty-four (24) hour, seven (7) day a week access at affordable prices, and which are designed to operate with minimal staffing. MyFit18 currently offers franchises for sale to qualifying investors. As of December 31, 2019, no MyFit18 locations had been open or sold. MyFit18 has never operated any fitness centers, or offered fitness center franchises or franchises in any other line of business.

We have one other affiliate, FranPerform LLC ("**FranPerform**"), that was formed in Texas on January 30, 2020. FranPerform has the same principal business address as we do. As of the date of this Disclosure Document, FranPerform does not offer any franchises in any line of business, or any goods or services to our franchisees. However, FranPerform intends to offer certain services to franchised brands outside of the System, including payment processing, call center services, digital marketing services, and franchise development services.

Other than provided above, neither our parent, nor our affiliates, are offering, and have never offered, franchises in any line of business. We have no other affiliates required to be disclosed in this Disclosure Document. We have no predecessors.

The Franchise Offered

We are offering franchises that operate under the name "Code Ninjas" and provide child focused educational programs, including subjects such as computer programming, coding, math, logic and teamwork. We offer two models for franchised locations: Code Ninjas Centers and Code Ninjas Studios.

A "**Code Ninjas Center**" or "**Center**" operates from a fixed retail location displaying our interior trade dress that is designed to make the location welcoming, comfortable, and easily identifiable for customers. Unless otherwise designated, Code Ninjas Centers operate from retail locations ranging from 1,200 to 2,400 square feet.

A "**Code Ninjas Studio**" or "**Studio**" does not operate from a fixed retail location, but instead sets up permanent operations in a secondary use space, such as shared or community space in a college, school, church, community center or library, to schedule programming and classes. Generally, Code Ninjas Studios are located in areas having fewer than 7,000 potential students (generally, children between the ages of 5 to 15 years old) living within a 3 mile radius of the proposed location, and are located at a minimum of the closer of twenty (20) miles or a twenty (20) minute one-way drive time from the territory of an existing or planned Code Ninjas

Center. Code Ninjas Studios are not required to be open during all normal business hours, but instead must operate during the times that customers have selected for access through a designated reservation system and in accordance with our then-current policies.

The franchise you purchase will be a Code Ninjas Center unless we designate it as a Code Ninjas Studio. Each Code Ninjas Center and Code Ninjas Studio is established and operated using the format and system we developed (the “**System**”). Code Ninjas Centers and Studios feature and operate under the Proprietary Marks (as described below). All products and services offered for sale at a Code Ninjas Center or Studio are subject to our approval.

We also offer qualified franchisees the option to purchase and operate a mobile ‘edutainment’ trailer under the name “**Dojo2Go**” which enables franchisees to host external gaming events and parties for schools, businesses and other events within their Territory (see Item 12). The terms “Code Ninjas Center(s),” “Code Ninjas Studio(s),” and “Franchised Location” as used in this document also encompass the operations of the Dojo2Go trailer, should you choose to incorporate this into your Code Ninjas Center or Studio operations and we allow you to do so.

Code Ninjas Centers and Studios are characterized by our System. Some of the features of our System include (a) interior and exterior design, décor, color schemes, fixtures, and furnishings; (b) standards and specifications for products, services equipment, materials, and supplies; (c) uniform standards, specifications, and procedures for operations; (d) purchasing and sourcing procedures; (e) training and assistance; and (f) marketing and promotional programs. We may periodically change and improve the System.

You must operate your Code Ninjas Center or Studio in accordance with our standards and procedures, as set out in our Confidential Operations Manuals (the “**Manuals**”). We will lend you a copy of the Manuals for the duration of the Franchise Agreement (or, at our option, we may make these available to you electronically). In addition, we will grant you the right to use our marks, including the mark “Code Ninjas” and any other trade names and marks that we designate in writing for use with the System (the “**Proprietary Marks**”). We may modify the Proprietary Marks or substitute new Proprietary Marks.

Franchise Agreement

We offer to enter into franchise agreements (“**Franchise Agreements**”) (included as Exhibit C to this Disclosure Document) with qualified legal entities and persons (“**you**”) that wish to establish and operate a Code Ninjas Center(s) and/or Studio(s). (In this Disclosure Document, “you” means the person or legal entity with whom we enter into an agreement. The term “you” also refers to the direct and indirect owners of a corporation, partnership, or limited liability company that signs a Franchise Agreement as the “franchisee”.)

Under a Franchise Agreement, we will grant you the right (and you will accept the obligation) to operate a Code Ninjas Center or Studio at an agreed-upon specified location (the “**Approved Location**”). (In this Disclosure Document, the term “**Franchised Location**” means the Code Ninjas Center or Studio franchised to you under a Franchise Agreement.)

If you are not an individual, then you must designate one of your owners, who must be an individual person with at least a ten percent (10%) ownership interest in the franchisee legal entity, and who must be reasonably acceptable to us to assume the responsibilities of general oversight and management of your Franchised Location (the “**Designated Principal**”). You must also designate either the Designated Principal or a “**Director**” (subject to our reasonable approval) to assume the full-time responsibility for daily supervision and operation of the Franchised Location.

Area Development Agreement

We may also offer to enter into an area development agreement (the “**Area Development Agreement**”) (included as Exhibit D to this Disclosure Document) with qualified legal entities and persons (an “**Area Developer**”), which grants the right to establish and operate a specified number of Code Ninjas Centers or Studios in a specified area (the “**Development Area**”) at specific locations that must be approved by us, each under a separate Franchise Agreement. We will enter into Area Development Agreements under which at least two (2) Code Ninjas Centers or Studios will be developed by an Area Developer.

Area Developers must open each Code Ninjas Center or Studio in accordance with an agreed upon opening schedule (the “**Development Schedule**”). The Development Schedule will be set forth in Exhibit A of the Area Development Agreement. The Area Developer exercises its right to open Code Ninjas Centers or Studios by entering into a separate Franchise Agreement for each Franchised Location opened. The Franchise Agreement for each subsequent Franchised Location to be developed under the Area Development Agreement will be Franchisor’s then-current form of Franchise Agreement, the terms of which may differ from the terms of the first Franchise Agreement signed simultaneously with the Area Development Agreement.

Non-Use and Non-Disclosure Agreement

You will be required to sign a Non-Use and Non-Disclosure Agreement prior to receiving information from us we deem to be confidential. This Non-Use and Non-Disclosure Agreement is included as Exhibit E to this Disclosure Document.

The Market and Competition

The market for children’s educational businesses is well developed and competitive. You will serve the general public and will compete with a variety of businesses, from locally owned to national and chain businesses. These businesses compete on the basis of factors such as price, service, location and quality. These businesses are often affected by other factors as well, such as changes in consumer habits, economic conditions, population and travel patterns. The business for Code Ninjas Centers and Studios is not seasonal, provided that you are able to offer summer camp and specialty programming during the summer when traditional schools are not otherwise in session.

We may establish other Code Ninjas Centers or Studios in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products and/or services in your area. Our affiliates may also offer other franchised brands certain goods or services as described above. Also, we may sell related products through wholesalers, distributors, the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at any location, whether or not located in your area. To the extent your Franchised Location may be located near another Code Ninjas Center or Studio, you may appear to or actually compete with other Code Ninjas Centers and Studios.

Industry Specific Regulations

You must comply with all local, state and federal laws that apply to your Franchised Location operations, including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for disabled people and may affect the building construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc., of a Code Ninjas Center. You may also be required to obtain real estate permits, licenses and operational licenses. There may be other laws applicable to your business and we urge you to make further inquiries about these laws.

Among the other licenses and permits you may need are: Zoning or Land Use Approvals, Sunday Sale Permits, Sales and Use Tax Permits, Fire Department Permits, Health Permits, Alarm Permits, County Occupational Permits, Retail Sales Licenses and Wastewater Discharge Permits. You will also have to comply with any general laws and regulations relating to the acceptance of credit cards, including Payment Card Industry Data Security Standard. There may be other laws, rules or regulations which affect your Franchised Location, including laws concerning the protection of customers' personal information and data security, minimum wage and labor laws, as well as The Affordable Care Act. If you elect to include the Dojo2Go mobile trailer as part of your business, you may need to obtain certain licenses or permits for the operation of the trailer and for certain events, in addition to complying with local zoning and other requirements.

You must also comply with all applicable local, state and federal laws that require educators, learning center employees and others to obtain required background checks and fingerprinting. In Texas, which is where we are headquartered, background checks and fingerprinting are required by the Texas Education Agency and conducted through the Texas Department of Family and Protective Services. We also require that you and all employees and staff members pass a background check prior to commencing work in the Franchised Location, and on a periodic basis thereafter, that is free of any sexual and/or violent offenses, any offense involving moral turpitude, and/or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System or the Proprietary Marks.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your

directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity. You may review the Patriot Act and related regulations at: <http://www.treasury.gov/offices/enforcement/ofac/sdn>.

ITEM 2

BUSINESS EXPERIENCE

David Graham: Chairman of the Board and Founder

Mr. Graham is our founder and was our Manager since our inception until August 2020. In August 2020, Mr. Graham became the Chairman of the Board. From April 2010 to July 2016 he was the President and Chief Executive Officer for Coder For Rent, LLC, DBA Coder Camps, in the greater Houston, Texas area.

Justin Nihiser: Chief Executive Officer

Mr. Nihiser joined us in August 2020 as our Chief Executive Officer. From December 2018 to July 2020, he served as the Chief Operating Officer for Brain Balance Achievement Centers in Atlanta Georgia. Prior to this, he was engaged by School of Rock in Atlanta Georgia, first as its Director of Franchise Operations from January 2013 to November 2015, next as its Director of Franchise Development from November 2015 to November 2016, then as its Vice President, Franchise Operations from November 2016 to December 2018, and finally as its Vice President, Franchise International Operations and Franchise Development from January 2018 to November 2018.

Theparid "Bert" Sintuphant: Director of Operations

Mr. Sintuphant has been our Director of Operations since our inception. From January 2013 to August 2016 he was the Chief Operations Officer for Coder For Rent, LLC, DBA Coder Camps, in the greater Houston, Texas area. From March 2011 to February 2013 he was a Senior Business Analyst for Stuart Title in Houston, Texas.

Marty Flanagan: Director of Franchising

Mr. Flanagan has been our Director of Franchising since our inception. From August 2004 to October 2016 he was the Director of Corporate Facilities for Anytime Fitness near St. Paul, Minnesota.

Jeffrey Thames: Director of North American Development

Mr. Thames has been our Director of North American Development since June 2019. Prior to that, he served as our Director of Franchise Development from April 2017 to June 2019. From January 2013 to April 2017 he was the Director of Development for Red's Savoy Franchise, LLC, an entity developing franchises offering pizza and related items and headquartered in Edina, Minnesota. He also served as President of Thames Holdings, LLC, in

Mendota Heights, Minnesota, a firm specializing in assisting franchises and small companies with their growth initiatives from July 2012 to April 2017.

ITEM 3

LITIGATION

Code Ninjas, LLC v. Beyond Gravity Media, Inc. & Branden Scott Matalon, No. 3:19-cv-00303 (S.D. Tex.) (filed September 9, 2019) and *Code Ninjas, LLC v. Beyond Gravity Media, Inc. & Branden Scott Matalon*, American Arbitration Association (“AAA”) No. 01-19-0004-4568 (filed December 11, 2019).

We filed a lawsuit seeking to enjoin a franchisee and its owner (the “franchisees”) from establishing and operating a competitive business in violation of their obligations not to compete with us. The franchisees denied the allegations and asserted claims against us and David Graham, our founder, seeking rescission of their various agreements based on allegations that we made misrepresentations relating to the sale of the franchise opportunity. We denied the allegations. In December 2019, we moved to dismiss the counterclaims and to compel the counterclaims to arbitration. We contemporaneously filed for arbitration. We reached a settlement in April 2020 under which the franchisees agreed to dismiss their claims and abide by their post-termination obligations, including their obligations not to compete, in exchange for our agreement to terminate the franchisees’ existing franchise and a franchise agreement for an unopened territory without any refund or exchange of money. We also dismissed our claims against the franchisees.

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

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchise Agreement

When you sign the Franchise Agreement for a Code Ninjas Center, you must pay us an initial franchise fee of \$31,000 (the “**Franchise Fee**”). The Franchise Fee for a Code Ninjas Studio is \$15,000. The Franchise Fee will be fully earned when paid and non-refundable in consideration of administrative and other expenses we incur in entering into the Franchise Agreement and for our lost or deferred opportunities to enter into the Franchise Agreement with others.

You must pay the Franchise Fee in full at the time you sign the Franchise Agreement. Additionally, as described below, if you signed an Area Development Agreement, we will credit

the Area Development Fee you paid toward the Franchise Fee. The Franchise Fee is uniform for all franchisees. In our last fiscal year ended December 31, 2019, our Franchise Fee for Code Ninjas Centers ranged from \$20,000 to \$29,000, which were our then-current initial franchise fees depending on the date on which the franchisee purchased their location. We did not collect any Franchise Fees for Code Ninjas Studios in our last fiscal year.

For a period of the longer of thirty (30) days from (i) the date of this Disclosure Document; or (ii) the date on which we are legally registered to sell franchises in your state or law applicable to you, we are offering a waiver of the Franchise Fee for one (1) Code Ninjas Studio to our existing franchisees that are in good-standing with us and otherwise meet our requirements.

Area Development Fee

If you are going to be an Area Developer, then you will sign an Area Development Agreement and pay us an area development fee (the “**Area Development Fee**”). The amount of the Area Development Fee will be calculated by multiplying \$31,000 times the number of Code Ninjas Centers to be developed under the Area Development Agreement, and \$15,000 times the number of Code Ninjas Studios to be developed under the Area Development Agreement. The Area Development Fee will be due in a lump sum payment upon the signing of an Area Development Agreement. The Area Development Fee is fully earned and non-refundable in consideration of administrative and other expenses we incur in entering into the Area Development Agreement, and for our lost or deferred opportunities to enter into the Area Development Agreement with others. For each Code Ninjas Center or Studio you open under the Area Development Agreement, you will not be charged a Franchise Fee. The Area Development Fee is uniform for all area developers.

Other Initial Fees

You will pay us an “**Electronic Systems Fee**” each month during the term of your Franchise Agreement, which includes your email, website hosting and access to our electronic support systems and operating software (as further described in Item 6 and Item 11). This fee is currently \$110 per month. You will begin paying this fee on the first day of the month after you sign your Franchise Agreement, and each first of the month thereafter. The amount of this fee that you pay to us before opening will range from \$440 to \$770 depending on when you open your Code Ninjas Center, and \$220 to \$440 depending on when you open your Code Ninjas Studio, assuming you open within our estimated timeframes.

Our affiliate, Thrifty Gear, will be the designated supplier of certain business and promotional items to our franchisees that must be purchased prior to the commencement of operations of your Franchised Location, including student wristbands and scanners for check-in, robotics kits and classroom materials, uniforms, , and other promotional items. Such items are estimated to cost in the range of \$2,000 to \$10,000 for Code Ninjas Centers, and \$1,000 to \$2,500 for Code Ninjas Studios. We may add or delete from such items which must be purchased from our affiliate prior to opening, and on an ongoing basis, at any time. The costs for the purchase of these products and services are non-refundable. If we do not require that you

purchase such items from us or our affiliate, you must purchase them from our designated vendor.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Date Due	Remarks
Royalty ("Royalty Fee")	For Code Ninjas Centers, the greater of (i) 6.5% of Net Sales or (ii) the Minimum Royalty Fee. For Code Ninjas Studios, the greater of (i) 12% of Net Sales or (ii) the Minimum Royalty Fee. See Note 3.	On Monday after the close of each week, based on the Net Sales for that week. See Note 2.	"Net Sales" means all revenue related to the operations of the Franchised Location (excluding customer refunds made in good faith and sales taxes collected and remitted to the proper authorities). We provide for remit of this Royalty Fee and other fees due to us from the collection of all your customer payments through our online designated payment processing website portal operated by FranchiCzar at www.franchiczar.com that we have currently designated, but reserve the right to change our method of collection.
General Advertising Fee	We do not currently charge this fee. However, we may impose a General Advertising Fee of the greater of (i) 3% of Net Sales or (ii) \$1,000 per month.	On Monday after the close of each week, based on the Net Sales for that week. See Note 2.	This is a fee that you pay to us in consideration of marketing and promotional efforts that we undertake which benefit the System. This fee is not a contribution to an independent advertising fund or a pooled advertising program. As of the date of this Disclosure Document, we have not instituted this fee; however we reserve the right to do

Type of Fee (Note 1)	Amount	Date Due	Remarks
			so upon thirty (30) days' notice to you.
Local Advertising and Promotion	You must directly spend 3% of Net Sales on your local advertising and promotion.	As incurred.	You must spend this local advertising requirement in compliance with our current policies. We currently require you to spend this on digital marketing of your Franchised Location. We have the right to require you to provide proof that these funds were spent, and spend them on your behalf should you fail to do so. We offer digital marketing services which you may choose to purchase from us which count toward this requirement. The cost for these services currently ranges from approximately \$900 to \$1,500 per month. You are not required to purchase these services, and the services we offer may change or be discontinued, or may be offered by a third party provider.
Call Center Fees	As of the date of this Disclosure Document, we do not charge this fee. However, if we or our affiliates do so, the base service fees will range from \$200 to \$1,000 per month, plus a commission of a percentage of any customer acquisitions that we or our affiliates make for you.	Monthly, on or before the 1 st day of each month.	If we or our affiliates operate a centralized customer service or call center, you may utilize its services to make incoming and outgoing calls to potential customers for you. Note 4.
Software	A minimum of \$22 per	Upon demand.	You are required to pay our

Type of Fee (Note 1)	Amount	Date Due	Remarks
Licensing Fees	student per year, plus \$1,200 per quarter for an optional license to a curriculum supplement you may use in your Franchised Location.		then-current cost for the license of any business operations software or other software necessary for use in your Franchised Location. Currently, this fee is to cover our expenses to license a component of the proprietary curriculum, which we pass through to you without mark-up. We reserve the right to implement additional proprietary software systems for all franchisees, which may require up-front and maintenance fees and increase this fee accordingly. You will either pay this fee to us, or directly to any provider that we designate to license software to you. See Note 5.
Electronic Systems Fee	\$110 per month.	You begin paying this fee on the first of the month following the signing of your Franchise Agreement, and on the first of each month thereafter.	We reserve the right to charge this fee for products and services related to informational technology, including email, website management, and access to our electronic systems and operating software in connection with the Franchised Location and System.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Annual Convention Registration	Currently, \$499 per attendee based on early bird pricing. We may increase this fee annually.	When you register for the Annual Convention; provided that we will bill you for one registration fee prior to the convention.	You pay this fee once a year in which a convention is scheduled, for one Franchised Location, even if you do not register for our convention. It gives you a registration for one person to attend our convention. The person holding a controlling interest in your business and your Designated Principal (if different) are required to attend.
Additional training and assistance	\$500 per additional person to attend our initial training program; and our per-diem charge for additional training (which is currently \$500, plus our out-of-pocket costs), per trainer.	Upon demand.	You must pay our then-current fee to send more than three (3) individuals to our initial training program. If we require, in our sole discretion, that additional training from us is required or if you ask that we (a) provide additional training, or (b) conduct any training session outside of our standard training programs described in this Disclosure Document, and we do so, then you will have to pay our then-current per-diem charge for extra training plus expenses that we incur. See Note 6.
Product/Supplier Testing and Evaluation Costs	Varies – the costs of testing and evaluation.	Upon demand, if incurred.	See Note 7.
Transfer Fee	\$5,000 under the Franchise Agreement. An Area Developer will pay a transfer fee equal	At time of transfer.	See Note 8. Payable only if you make a transfer (as defined in the Franchise Agreement) of an open Franchised Location,

Type of Fee (Note 1)	Amount	Date Due	Remarks
	to the then-current Franchise Fee for each Code Ninjas Center or Studio not developed.		which includes any sale or assignment of your franchise or your company. You may not make a transfer if your Code Ninjas Center or Studio is not open and operating under the Franchise Agreement. We do not impose a fee for a transfer to an entity you form for the convenience of ownership. This fee is subject to state law.
Renewal Fee	\$2,000	Before renewal.	The Franchise Agreement may be renewed after an initial term of five (5) years. You will only need to pay this fee if you renew the Franchise Agreement. There is no renewal under the Area Development Agreement.
Charges for inspections and "mystery customer" quality control evaluation	Will vary under circumstances.	Upon demand, if incurred.	See Note 9. The mystery customer program will be separate from our programs for customer surveys and customer satisfaction audits (which may require you to accept coupons from participating customers for discounted or complimentary items).
Late Fee and Interest on Overdue Payments	A late fee equal to 5% of your overdue amount, and interest equal to 1.5% per month (but not more than any maximum rate set by law).	At time the overdue payments are paid.	Only due if you don't pay us the amounts you owe on time. Interest will be charged only on overdue amounts and will start to accrue on the date when the payment was originally due.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Dues and Assessments Imposed by a Franchisee Advisory Council	As determined by a franchisee advisory council (if established). Currently – none.	At the times required by a franchisee advisory council.	We may form, or require that our franchisees form, a franchisee advisory council. If one is formed, you must become a member if we require, and you must pay the fees and assessments imposed by the council.
Center Refurbishment	Will vary under circumstances.	As agreed.	If you operate a Code Ninjas Center, we may require you to refurbish your Franchised Location to meet our then-current requirements for décor, layout, etc. We will not require you to refurbish the Franchised Location more frequently than every five (5) years.
Prohibited Product or Service Fine	\$250 per day of use of unauthorized products or services.	If incurred.	In addition to other remedies available to us. This may not be enforceable under state law.
Audit Expenses	All costs and expenses associated with the audit, reasonable accounting and legal costs.	Upon demand.	Payable only if we audit and the audit discloses an understatement in any statement or report of 3% or more. (You will also have to pay the monies owed and interest on the underpayment (see “interest” above).)
Insurance Procurement	Our cost to obtain insurance coverage if you fail to do so.	Upon demand.	We have the right (but not obligation) to buy insurance coverage if you do not do so.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Relocation Fee	\$1,000, provided that if our actual expenses exceed this amount, you must pay the amount which exceeds the fee.	Upon demand.	Payable only if you relocate your Franchised Location, in order to reimburse us our costs and expenses related to an approved relocation of your Franchised Location.
Securities Offering	Our actual expenses.	Upon demand.	Payable only if you propose to engage in a public or private securities offering, to reimburse us for our reasonable costs and expenses (including legal and accounting fees) to evaluate your proposed offering.
Tax Assessment	Our actual expenses.	Upon demand.	Payable only if there is a sales tax, gross receipts tax, or similar tax or assessment (other than income tax) imposed against us with respect to any payments you make to us under the Franchise Agreement.
Costs and Legal Fees	Will vary under circumstances.	Upon demand.	You must reimburse us for the expenses we incur (including reasonable attorneys' and other legal fees) as a result of your default of the Franchise Agreement and to enforce and terminate the Franchise Agreement.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Standard Default Fee	Up to \$250 per violation.	Upon demand.	In addition to any rights and remedies we may have under the Franchise Agreement, if you breach certain provisions of your Franchise Agreement and fail to cure the default during the applicable cure period, you must pay us up to \$250 per month until the default is cured to offset our expenses incurred to address the default.
Additional Cure Expenses, Collection Costs, and Post Termination / Expiration Expenses	Our cost and expense if we take action to cure any default by you under the Franchise Agreement, including costs of collection for unpaid amounts.	Upon demand.	Due only if you are in default under your Franchise Agreement, in which case you must reimburse us for the additional expenses we incur (including reasonable attorneys' and other legal fees) as a result of your default and to enforce and terminate your Franchise Agreement if necessary. This also applies if your Franchise Agreement terminates or expires and we incur expenses in ensuring your compliance with the post-termination and post-expiration provisions. See Note 10.
Indemnification	Will vary under circumstances.	Upon demand.	You must reimburse us if we are sued or held liable for claims arising from your operation of the Franchised Location, as well as your use of the Proprietary Marks in a manner inconsistent with our instructions, and any transfers or securities offerings that you propose.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Liquidated Damages	See Note 10.	Within 15 days of termination of your Franchise Agreement for cause.	You must pay this fee if we terminate your Franchise Agreement for cause.
Dojo2Go Mobile Trailer	Variable – leasing or financing costs, maintenance and expenses.	As arranged and as incurred.	You will incur additional costs if you operate a Dojo2Go mobile trailer, as you will be required to purchase or lease the trailer, as well as all ancillary costs related to the maintenance, care, and storage of the trailer. We also may establish a minimum monthly royalty for the operation of a Dojo2Go mobile trailer upon notice to you.

Explanatory Notes to Item 6 Table:

1. Except as otherwise noted in this Item 6, we impose and collect all of the fees described above. None of these fees are refundable. All of the fees described above in this Item 6 are intended to be uniform for all franchisees, although, we reserve the right to reduce the royalty fee, or charge a fixed royalty fee, in certain circumstances, in our sole discretion. None of the amounts above include any applicable taxes, which taxes are your responsibility unless otherwise indicated.
2. We will provide for collection of all your customer payments through our online payment processing website portal run by our parent, FranchiCzar, at www.franchiczar.com, that we have currently designated, but reserve the right to change, or otherwise through another electronic funds transfer. You must establish an arrangement for electronic funds transfers (“EFT”), as well as authorize us to charge your credit card with all amounts due to us and our affiliates, including, the signing of our current form of pre-authorized debit agreement and credit card authorization, copies of which are attached to the Franchise Agreement as Exhibit D. You must comply with all payment and reporting procedures specified by us. No later than Monday of each week we will calculate the amount of customer payments received in connection with your Franchised Location for the preceding week, and shall remit such amount to you via EFT, less amounts representing the Royalty Fee, Electronic Systems Fees, General Advertising Fees, Call Center Fees, Annual Convention registration fees, EFT fees and merchant services and other processing fees, and all other fees that we require, in addition to any and all other

amounts owed to us or any affiliate under the Franchise Agreement and all agreements between us and our affiliates and you and your affiliates. Each weekly payment by us to you will be accompanied with a statement setting forth the amount of customer payments received in connection with your Franchised Location and payments remitted to us. You must pay the then-current processing cost charged by FranchiCzar for the provision of this service, which is currently 2.25% of all amounts processed. A copy of the agreement that you must sign with FranchiCzar for these services is attached as Exhibit K to this Disclosure Document.

With respect to credit card merchant services processing fees, FranchiCzar will pay these fees on behalf of all franchisees and then collect from you the amount of such fees prorated to you in order to reimburse this cost. Although certain credit card providers charge different processing fees, FranchiCzar may not calculate the amount you owe by each specific credit card provider. Instead, it may simply spread the total amount of all credit card merchant services processing fees allocated to you based on the amounts processed by or from you.

You must agree that we may retain any amount of customer payments as remittance of any amounts owed to us or our affiliates. Payments by you of any and all amounts under the Franchise Agreement are considered fully earned upon receipt and non-refundable.

You must agree that we may directly charge and collect from any customer (including any of your customers) certain fees in connection with our online registration process and payment system that are in addition to payment for products and services provided by your Franchised Location. Such fees charged and collected by us will be fully earned by us.

Corporate and affiliate-owned Code Ninjas Centers and Studios are not required to pay Royalty Fees, General Advertising Fees, or Call Center Fees. Corporate and affiliate-owned Code Ninjas Centers and Studios do not have a specific local advertising requirement, however, they will make expenditures in local advertising programs as appropriate. Corporate and affiliate owned Code Ninjas Centers and Studios will pay the then-applicable Software Licensing Fee for the license of any required software.

3. For a Code Ninjas Center, the Minimum Royalty Fee will begin on the first day of the calendar month following the date which is eight (8) months from the execution of your Franchise Agreement (the "**Royalty Start Date**"). The Royalty Start Date for a Code Ninjas Studio is one hundred twenty (120) days from the execution of your Franchise Agreement. The Minimum Royalty Fee applies from the Royalty Start Date until your Franchised Location is open and operating, and is the sum of (i) \$500 per month, plus (ii) 6.5% of any Net Sales during this time period for Code Ninjas Centers or 12% of any Net Sales during this time for Code Ninjas Studios. In addition, we reserve the right to apply the Minimum Royalty Fee specifically to the operation of your Dojo2Go mobile trailer throughout the term of the Franchise Agreement, should you choose to incorporate this service as part of your operations, so that the minimum royalty that you pay in connection with this service would be a minimum of \$500 per month on an ongoing basis. If you are

an Area Developer, you will be required to execute a Franchise Agreement for your first Franchised Location at the time you execute the Area Development Agreement. The Franchise Agreement for each subsequent Franchised Location to be developed under the Area Development Agreement will be our then-current form of the Franchise Agreement, which may have a higher Royalty Fee.

4. We or our affiliates may, in the future, operate a centralized call center to take inbound and make outbound calls to your customers and/or potential customers. If established, you may choose to participate in call center services, and you will pay this fee in addition to any Royalty Fees you must pay.
5. We require you to use certain software, hardware and/or support services in connection with the operation of the Franchised Location. We may require you to pay us an up-front licensing fee as well as ongoing software maintenance fees for any proprietary software that we develop and require you to use. We may increase this fee during the term upon notice to you to cover additional costs for the license and support of required software, digital applications and successor technology and replacements thereto.
6. If you request additional training or assistance, we may charge you our then-current per diem training fee for the additional training provided; and you will also have to reimburse us for all out of pocket costs and expenses associated with any additional training, including lodging, food and travel arrangements of the trainers. Additionally, if we determine, in our sole discretion, that you are in need of additional supervision or supplemental training, we may require that you receive such training from us, in which case you agree to also pay our then-current per diem training fee for the additional training provided; and you will also have to reimburse us for all out of pocket costs and expenses associated with the additional training, including lodging, food and travel arrangements of the trainers. We may require that you complete refresher and additional training programs, and we may offer the programs on a voluntary basis. If you request that we conduct any additional training sessions (required or voluntary), and we do so, then we may charge you our then-current per diem training fee for that training we provide, and you will also have to reimburse us for all out of pocket costs and expenses described above. Our current per diem charge is \$500 per trainer (we reserve the right to change our per diem rate in the future).
7. If you desire to purchase unapproved products or equipment, supplies, services, or products (other than Proprietary Products) from other than approved suppliers, we may require that our representatives be permitted to inspect, from time to time, the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. You must pay us an evaluation fee not to exceed the reasonable cost of the evaluation and testing.
8. You may not transfer the Franchise Agreement if your Code Ninjas Center or Studio is not open and operating in compliance with that agreement. If you are an Area Developer, you may not transfer your area development rights unless your first Code Ninjas Center or Studio is open and operating under your first Franchise Agreement and you are in

compliance with your Development Schedule (in addition to all other terms of all agreements with us). If you are an existing franchisee that received a waiver of the Franchise Fee for one (1) Code Ninjas Studio, you may not transfer the Franchise Agreement for that Studio during the eighteen (18) month period after the Studio opens.

9. We may ourselves, or through an independent service, conduct inspections or a “mystery customer” quality control and evaluation program. You must participate in any such program, and we may require that you pay the then-current costs for the provision of this program, or the then-current charges imposed by the evaluation service (as we direct, either directly to the evaluation service provider or to us as a reimbursement).
10. Reimbursement to us of all costs and expenses associated with your default of the Franchise Agreement, including but not limited to, collections costs, costs and commissions paid or due to a collection agency, reasonable legal fees, costs incurred in creating or replicating reports demonstrating Net Sales or other aspects of your business, court costs, expert witness fees, discovery costs and reasonable legal fees and costs on appeal, together with interest charges on all of the foregoing. In addition, if you breach the Franchise Agreement, we have the right (but not the obligation), to take such action as we deem appropriate to cure the breach on your behalf.
11. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to \$500 per month for each month remaining in the Franchise Agreement had it not been terminated.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – CENTER AND STUDIO

Type of Expenditure (Note 1)	Code Ninjas Center Amount	Code Ninjas Studio Amount	Method of Payment	When Due	To Whom Payment is to be Made
Franchise Fee (Note 2)	\$31,000	\$15,000	Lump sum	When you sign the Franchise Agreement	Us
Business Licenses & Incorporation (Note 3)	\$200 to \$1,000	\$200 to \$1,000	As arranged	As incurred	Government agencies, attorneys
Leasehold Improvements (Note 4)	\$25,000 to \$150,000	\$0	As arranged	As arranged	Independent contractors, Lessor
Fixtures, Furnishings & Equipment (Note 5)	\$35,000 to \$70,000	\$5,000 to \$10,000	As arranged	As incurred	Us, our Affiliate or Approved Suppliers

Type of Expenditure (Note 1)	Code Ninjas Center Amount	Code Ninjas Studio Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer and Point of Sale System (Note 6)	\$940 to \$2,770	\$720 to \$1,440	As arranged	As incurred	Us, our Affiliate or Approved Suppliers
Architect/ Engineering Fees (Note 7)	\$2,500 to \$10,000	\$0	As arranged	As arranged	Approved Suppliers.
Rent, Security Deposits and Utility Deposits (Note 8)	\$4,000 to \$12,000	\$500 to \$2,000	As arranged	As arranged	Lessor, Utility companies
Other Professional Fees (Note 9)	\$500 to \$3,000	\$500 to \$3,000	As arranged	As arranged	Various service providers
Insurance Deposit (Note 10)	\$500 to \$4,000	\$500 to \$4,000	As arranged	As arranged	Insurance providers
Initial Inventory of Product and Supplies (Note 11)	\$5,000 to \$12,000	\$1,000 to \$2,500	As arranged	As incurred	Us, our Affiliate or Approved Suppliers
Training Expenses (Note 12)	\$1,000 to \$2,500	\$0 to \$2,000	As arranged	As arranged	Airlines, Hotels, Restaurants, Local transportation providers, Your employees
Grand Opening Advertising (Note 13)	\$5,000	\$5,000	As arranged	As arranged	Approved Suppliers
Additional Funds (for the initial 3 months of operations) (Note 14)	\$15,000 to \$30,000	\$3,000 to \$6,000	As arranged	As needed	Approved Suppliers, Your employees and other creditors
TOTAL ESTIMATED INITIAL INVESTMENT	\$125,640 to \$333,270	\$31,420 to \$51,940			

YOUR ESTIMATED INITIAL INVESTMENT – DOJO2GO

Dojo2Go Equipment (Note 15)	\$80,000 to \$100,000	As arranged	As incurred	Approved Suppliers
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Explanatory Notes to Item 7 Table:

1. **General** – We do not impose or collect the fees or costs described in this Item 7, except for the items noted with “Us” in the column labeled “To Whom Payment is to be Made.” Except as described below, all fees and amounts that you must pay to us are non-refundable. For any amounts paid to third parties, the availability and conditions under which you may obtain refunds will depend on the terms offered by those third party suppliers. We do not offer our franchisees financing for any part of the initial investment. Our estimates in this Item 7 are based on our current prototype for Franchised Locations and our knowledge of business practices and conditions in the general marketplace. They may vary from location to location. The figures do not provide for your cash needs to cover financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and developmental stage of your business, the actual duration of which will vary materially from location to location and cannot be predicted by us for your Franchised Location (and which may extend for longer than the three (3) month “initial period” described in Note 15 of this Item 7). You must have additional sums available, whether in cash or through a bank line of credit, or have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Franchised Location, which will in turn depend upon factors such as the demographics and economic conditions in the area in which your Franchised Location is located, the presence of other Code Ninjas Centers or Studios, public awareness of our business, your ability to operate efficiently and in conformance with the System, and competition. Our estimates are based on our affiliate’s opening and operation of a Code Ninjas Center in Pearland, Texas, and that of our franchisees located in the United States.

2. **Franchise Fee** – The Franchise Fee shown in the chart above is uniform for all franchisees. When you sign the Franchise Agreement you must pay us a Franchise Fee of \$31,000 for a Code Ninjas Center and \$15,000 for a Code Ninjas Studio, unless you are executing an Area Development Agreement under which you are committing to develop two (2) or more Franchised Locations, in which case you must pay us an Area Development Fee of \$31,000 multiplied by the number of Code Ninjas Centers to be developed under the Area Development Agreement and \$15,000 multiplied by the number of Code Ninjas Studios to be developed, and you will not pay a Franchise Fee. The Franchise Fee and Area Development Fee are non-refundable. See Item 5 for further details regarding the Franchise Fees and Area Development Fees. We do not provide financing for any of these fees.

3. **Business Licenses and Permits** – These are general estimates for permits and licensing that may be required by local and state governments, as well as forming and registering an entity to operate as the franchisee. Local, municipal, county and state regulations vary on the licenses and permits you will need to operate a Franchised Location. You are solely responsible for obtaining all appropriate licenses and permits.

4. **Leasehold Improvements** – For Code Ninjas Centers, you will need to employ a qualified licensed general contractor to construct the improvements to, or “build out,” the premises who is acceptable to us. Our estimates are based on the assumption that the location is in a retail strip or in-line shopping center and approximately 1,200 to 2,400 square feet. Assumptions herein are based on an 1,800 square foot Franchised Location, which is our recommended size (subject to real estate demands) and includes, at a minimum, a level concrete floor suitable for floor covering, air-conditioning, electricity, gas, sewers, bathroom facilities, and water and plumbing suitable for a retail business. Among other things, you will probably need to arrange for the following items to meet our standard plans and specifications: proper wiring and plumbing, floor covering, wall covering, partitions, lighting and fixtures, painting, cabinetry, and the like. Costs will vary depending upon various factors, including: the geographic location of your business; the size of the premises; the availability and cost of labor and materials; and the condition of the premises and the work that the lessor will do as a result of the lease negotiations. Lessors may, instead of constructing or installing some of the improvements itself, provide you with credits towards your future rent payments and/or a tenant improvement allowance. The low range of our estimates assume that you obtain a tenant improvement allowance or that your landlord agrees to conduct a large portion of your buildout. One of these arrangements may or may not be available through your landlord.

For Code Ninjas Studios, you will operate from a secondary use space, such as shared or community space in a college, school, church, community center, or library, and as such, you will not be required to conduct traditional leasehold improvements. This space must comfortably seat a minimum of 10 students, 2 guests, and 2 staff members, incorporate a small parent waiting area, and may not be the primary use of the build-out that the space is in. You must have access to it for a minimum of 12 months from the date of approval, and it must otherwise meet our then-current requirements as set forth in the Manuals, and has been approved in writing by us following submission of required information about the location.

5. **Fixtures, Furnishings & Equipment** – As described in Item 8, you must purchase all fixtures, furnishings, equipment, signage and supplies that we specify as required for a Franchised Location. This estimate for a Code Ninjas Center includes required fixtures and equipment, including (without limitation) computers, computer related equipment, student laptops and android tablets, desks, working stations, chairs, storage systems, coffee systems, lounge furniture, and various trade dress and décor items and other fixtures, furnishings and equipment. This estimate also includes the cost of your office furniture, filing cabinet and miscellaneous office supplies, and equipment. This estimate also includes the costs for interior and exterior signage. The cost of signage may vary significantly depending on the location of your Franchised Location, market conditions and local codes. In some instances, the use of additional or larger signage may be possible, with our prior written approval. The costs of these

optional items are not included in the line item total above. Code Ninjas Studios will need to meet our minimum equipment, furniture and signage requirements, which requires a minimum amount of seating, computers and equipment for students and guests, posters, and window clings.

6. **Computer and Point of Sale System** – You must purchase or lease specified computers and related hardware for your business operations, along with required third party software necessary to operate the Franchised Location. The estimate includes the costs for the items that we currently require. We may periodically require franchisees to update their computer systems to our then-current standards. This includes Electronic Systems Fees you will pay to us prior to your opening as described in Item 5. See Item 11 under the heading, “Computer System” for additional information.

7. **Architect/Engineering Fees** – For Code Ninjas Centers, you will be required to retain the services of a qualified architect and engineer, who we have approved or designated for use by our franchisees, to adapt our standardized plans and specifications based on our prototype(s) of Code Ninjas Centers for the remodeling or finish-out of your Code Ninjas Center (see Item 11 under the subheading “Construction and Layout of Center” for additional information). As described in Item 11, we may from time to time develop or approve variations with respect to our prototype locations and plans. For Code Ninjas Studios, you may not incur this expense as you will not be constructing leasehold improvements, but laws vary in different areas.

8. **Rent, Security Deposits and Utility Deposits** – For a Code Ninjas Center, if you do not own a location for your Franchised Location, you must purchase or lease a space. Locations for Code Ninjas Centers will typically need approximately 1,200 to 2,400 square feet. The estimate in the chart above includes your first month’s rent payment, security deposits and utility deposits (for example, telephone, electricity, gas and water). We have assumed the security deposit to your landlord will equal one month’s rent, although this may vary from landlord to landlord. The estimates assume that rent commences upon the Code Ninjas Center’s opening. You, however, will need to lease a space in advance to build-out the Code Ninjas Center. However, you may attempt to negotiate an abatement from the lessor for this period.

We anticipate that Code Ninjas Centers will typically be located in in-line shopping centers, in high traffic urban and suburban areas, preferably near large residential communities. Rent varies considerably from market to market, and from location to location within each market. Rents may vary beyond the range that we have provided, based on factors such as market conditions in the relevant area, the type and nature of improvements needed to the premises, the size of the site for the Code Ninjas Center, the terms of the lease, the desirability of the location, and your ability to negotiate with your lessor.

The estimates assume that you will lease the premises for your Code Ninjas Center and, therefore, do not include costs related to the purchase of land or the construction of any buildings. If you decide to purchase the property for the location of your Code Ninjas Center, you will incur additional costs that we cannot estimate.

For Code Ninjas Studios, you will need to obtain the right to use a secondary use space, such as shared or community space in a college, school, church, community center, or library. You will need to have an agreement in place to utilize the space for a minimum of 12 months and pay for the use of the space, which will vary based on the type of space that you secure and how often you utilize the space.

9. **Professional Fees** – The estimate assumes that you will engage an attorney to help you negotiate your lease for the Franchised Location. In addition, you may choose to employ an attorney, accountant, and other consultants to help you evaluate our franchise offering. In addition, you may also form a corporation or other entity to operate the business. Your actual costs may vary substantially, for example, depending on the degree to which you rely upon your advisors and upon the requirements that may apply to your Franchised Location.

10. **Insurance Deposit** – The estimate represents an initial deposit for the coverage necessary to operate the business and represents approximately three (3) months of coverage. Insurance costs will vary depending upon factors such as the size and location of the Franchised Location. Your obligations with respect to insurance are more fully described in Item 8. The high end of this estimate assumes that you choose to add a Dojo2Go mobile trailer as part of the operations of your Franchised Location.

11. **Initial Inventory of Products and Supplies** – You must purchase an initial inventory of certain items, including rank stickers and patches, laptop bags, pencils, pens, notepads, presentation folders, binders, among other items. You will need to replenish your initial inventory on an as needed basis as such items and other supplies are used. The amount and cost of your initial and subsequent orders for all of these items will vary depending on various factors, including the size and anticipated volume of your Franchised Location's sales and the frequency of your orders.

Our affiliate, Thrifty Gear, will be the designated supplier of certain business and promotional items to our franchisees that must be purchased prior to the commencement of operations of your Franchised Location, including student wristbands and scanners for check-in, robotics kits and classroom materials, uniforms, and other promotional items. We may add or delete from such items which must be purchased from our affiliate prior to opening and on an ongoing basis at any time. If we do not require that you purchase such items from us, you must purchase them from our designated vendor. See Item 8 for additional information.

12. **Training Expenses** – You will incur expenses associated with our training program. For this training program, we provide instructors and instructional materials at no charge for up to three (3) persons, but you must pay for transportation, lodging, meals, wages, and worker's compensation insurance (if you send any employees) and salary or compensation for your trainees. As to the amounts shown, the low end of the estimate assumes that you will be operating the Franchised Location and attend the training program yourself, and are within driving distance to the training location, and the high end assumes that you bring an employee, other travel will be needed, and includes travel expenses, although these may vary significantly depending upon factors such as the distance traveled and mode of transportation. Your costs will also vary depending on the nature and style of accommodations, and the number of persons who

will attend training. See Item 11 under the heading “Training” for additional details regarding the program.

13. **Grand Opening Advertising** – This advertising and marketing promotion is intended to provide initial awareness and momentum for your new Franchised Location. You must spend a minimum of \$5,000 on this advertising. A portion of this amount must be spent with our designated public relations firm for PR services surrounding your opening. Additional details regarding advertising and promotion can be found in Item 11, under the heading “Advertising.”

14. **Additional Funds** – You will need additional capital to support on-going expenses, such as payroll, rent and utilities, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount shown in the chart above will be sufficient to cover on-going expenses for the start-up phase or initial period of the business, which we calculate to be three (3) months. Such amounts are the minimum recommended levels and are only estimates. We relied on our affiliate-owned operations in estimating these amounts. Your actual costs may vary considerably, depending, for example, on factors such as: local economic conditions; the local market for the products and services; the prevailing wage rate; competition; the sales level achieved during the initial period of operation; and your management and training experience, skill, and business acumen. You should take into account the cash outlays and probable losses that you may incur while you are trying to get established.

15. **Dojo2Go Equipment** – As described in Item 1, we offer qualified franchisees the option to purchase and operate a mobile ‘edutainment’ trailer under the name “Dojo2Go” which enables franchisees to host external gaming events and parties for schools, businesses and other events within their Territory. The trailer and all related equipment must meet our specifications, which may include front mobile gaming/coding theatres, monitors, trailer decals, fixturing of the trailer (i.e., shelving, storage, cabinet décor, generator, air conditioning), speaker bar, video gaming consoles, and remotes, etc. This estimate assumes that you elect to add this component to the operations of your Franchised Location, and the high end of this estimate assumes that you choose to add a Dojo2Go mobile trailer as part of the operations of your Franchised Location, and purchase the trailer and equipment for this service without financing.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Location in strict conformity with the methods, standards, and specifications as we may from time to time prescribe in the Manuals or otherwise in writing.

Products and Other Purchases

General

All products and services sold or offered for sale at the Franchised Location must meet our then-current standards and specifications and be approved by us. You must purchase, install,

and use all fixtures, furnishings, equipment, décor, supplies, inventory, computers and communications hardware and software, signs and materials as we may reasonably require in the Manuals or other written materials (collectively, "**Required Items**"). You must purchase all additional products and other Required Items solely from manufacturers, distributors, and suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manuals or otherwise in writing. You may not purchase, offer or sell any products or services, or use at your Franchised Location any products or Required Items, that we have not previously approved as meeting our standards and specifications. We may disapprove of products and suppliers based on our desire to consolidate System purchases through fewer suppliers. We may designate a single supplier, which may be us or one of our affiliates, for any products, equipment, supplies, or services, in which event you must purchase such items exclusively from the designated supplier. We are currently the approved supplier of digital marketing services you may choose to purchase for your Franchised Location. Other than this, we are not currently an approved supplier of any other items, but we have the right to be an approved supplier of some items in the future. Our parent and affiliates are currently required suppliers of specific items as described further below. We may add or delete from such items which must be purchased from us or our affiliates at any time. If we do not require that you purchase such items from us or our affiliate, you must purchase them from our designated vendor. It is anticipated that we and our affiliates will derive revenue from the purchase of such items.

If you desire to purchase unapproved products (except for Proprietary Products, which are discussed below) or Required Items from other than approved suppliers, you must submit to us a written request to approve the proposed product or supplier, together with such evidence of conformity with our specifications as we reasonably require. We will have the right to require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. You must pay a charge, not to exceed the reasonable cost of the evaluation and testing. We will use our best efforts to complete our review within six (6) months. If we do not give our written approval within this six (6) month period, we will be deemed to have disapproved the proposed new supplier. We may, from time to time, revoke our approval of particular products, Required Items or suppliers if we determine, in our sole discretion, that the products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease to sell any disapproved product and/or cease to purchase from any disapproved supplier.

Our specifications either: (1) are contained in the Manuals; or (2) will be provided to you upon request. We, however, have no obligation to make available to prospective suppliers the standards and specifications that we deem confidential. When approving suppliers, we consider whether they demonstrate the ability to meet our standards and specification and whether they possess adequate quality controls and capacity to supply your needs promptly and reliably. However, our approval may be withheld for any reason.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Code Ninjas

Centers and Studios in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would not be in the best interests of the System or the franchised network of Code Ninjas Centers and Studios. You may be required to sign agreements with such manufacturers, suppliers and vendors in order to receive such favorable pricing and/or rebates. We estimate that approximately 80% to 90% of your purchases or leases to start and operate your Franchised Location will be made from us, approved or designated suppliers or in accordance with our specifications. There are presently no purchasing or distribution cooperatives.

We and/or our affiliates reserve the right to receive rebates, payments or other compensation from suppliers on account of the suppliers' dealings with us, you, or other Code Ninjas Centers and Studios in the System. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees. These rebates will generally range from 5% to 15% of the purchases you make from the vendor. There also may be some vendors that may pay us fixed rebates on supplies and services. There are no caps or limitations on the maximum amount of rebates we may receive from our suppliers as the result of franchisee purchases.

As of the end of our 2019 fiscal year, we received \$763,287 from the sale of goods or services to our franchisees, or approximately 11.94% of our total revenues of \$6,393,201. During its fiscal year ended December 31, 2019, FranchiCzar received \$499,322.66 in revenues from the sale of goods or services to our franchisees, and Thrifty Gear received \$1,000,379.41 in revenues from the sale of goods or services to our franchisees.

We provide no material benefits to franchisees based on their use of suppliers or sources we approve. No officer of ours owns an interest in any approved supplier.

Proprietary Products

The "**Proprietary Products**" that are or may be offered and sold in Code Ninjas Centers and Studios are manufactured in accordance with our proprietary specifications. In order to maintain the high standards of quality and uniformity associated with Proprietary Products sold at all Code Ninjas Centers and Studios in the System, you must purchase Proprietary Products only from us or the suppliers and distributors that we designate in our sole discretion, and you may not offer or sell any Proprietary Products that have not been purchased from us, our affiliate or our designated supplier at or from the Franchised Location. We will have the right to periodically introduce additional Proprietary Products, or to withdraw Proprietary Products.

We currently have four (4) mandatory vendors that you are required to purchase Proprietary Products from prior to the commencement of operations of your Franchised Location and on an ongoing basis:

- (1) FranchiCzar, our parent company, is our required supplier of customer payment processing through an online payment processing website portal run at www.franchiczar.com (See Item 6 for more detail). You must obtain all billing and payment processing services from this company. The agreement you must sign with FranchiCzar is attached as Exhibit K to this Disclosure Document. In addition, FranchiCzar offers certain optional services that franchisees may purchase, including digital marketing services and call center services;
- (2) Thrifty Gear, our affiliate, is a required supplier of certain Proprietary Products and promotional items to our franchisees, including student wristbands and scanners for check-in, robotics kits, uniforms and other items;
- (3) You must use our mandatory vendor for the design, manufacture and supply of your exterior signage for your Franchised Location, as described below; and
- (4) In order to ensure brand consistency and integrity of messaging, you must use our mandatory vendor for public relations services as part of your Grand Opening Advertising Program.

Additionally, you must use one of two (2) required vendors for the design and plans for the construction of your Franchised Location as described below. These vendors are also currently our only preferred vendors for specific furniture and design aspects of your Franchised Location.

If you purchase a Code Ninjas Studio, you will not be required to utilize our mandatory vendor for design and plans for the construction of your Franchised Location.

In addition, if you choose to purchase a Dojo2Go mobile trailer, you must purchase your trailer and equipment for this service from our mandatory vendor, which has created a proprietary design and equipment package for the provision of services from this trailer.

Computer System

You will need to acquire (either by purchase or lease) the computer hardware and software system that we may specify from time to time. The computer hardware and software system refers to cash register or point of sale systems, hardware, software for the management and operation of the Franchised Location and for reporting and sharing information with us, and communication systems (including modems, cables, etc.).

Insurance

You also must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or

property damage, or any liability arising from your operation of the Franchised Location. Required insurance will include, but not be limited to, comprehensive general liability coverage, including employment practices liability coverage; personal injury coverage; automobile coverage, including underinsured or uninsured coverage; business interruption insurance for actual sustained loss insurance; and property damage coverage. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable, must name us and our affiliates as additional insureds, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in the Manuals. Additionally, we may designate one or more insurance companies as the insurance carrier(s) for Code Ninjas Centers and Studios. If we do so, we may require that you obtain your insurance through the designated carrier(s).

Presently, for a Code Ninjas Center we require you to maintain the following minimum insurance amounts: (1) builder's risk insurance during any periods of construction or renovation; (2) all risks coverage for full repair and replacement value of all of the equipment, fixtures and supplies used in your Franchised Location; (3) worker's compensation and employer's liability insurance, as well as any other insurance required by law; (4) comprehensive general liability insurance with limits of at least \$1,000,000 per occurrence, and \$2,000,000 general aggregate, including the following coverages: employer's liability and abuse and molestation coverage; professional liability; personal injury (employee and contractual inclusion deleted); products/completed operation; assault and battery; terrorism; and tenant's legal liability with limits of at least \$300,000; (5) automobile liability insurance, including owned (if applicable), non-owned and hired vehicle coverage (mandatory), and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least \$1,000,000 combined single limit; (6) abuse and molestation coverage with limits of at least \$1,000,000; (7) excess/umbrella liability coverage with a limit of \$3,000,000 that goes over general liability, auto liability, worker's compensation and abuse/molestation; (8) insurance coverage required by your lease or sublease, or as we may otherwise require; and (9) business interruption insurance for actual sustained loss you sustain for 12 months or not less than fifty percent (50%) of annual Net Sales. We currently have a sole approved vendor for the provision of this insurance.

For a Code Ninjas Studio we require you to maintain the following minimum insurance amounts: (1) a minimum of \$15,000 all risks coverage of the equipment, fixtures and supplies used in your Franchised Location; (2) worker's compensation and employer's liability insurance, as well as any other insurance required by law; (3) comprehensive general liability insurance with limits of at least \$1,000,000 per occurrence, and \$2,000,000 general aggregate, including the following coverages: employer's liability and abuse and molestation coverage; professional liability; personal injury (employee and contractual inclusion deleted); products/completed operation; assault and battery; terrorism; and tenant's legal liability with limits of at least \$300,000; (4) automobile liability insurance, non-owned and hired vehicle coverage, and property damage liability, including, non-owned, and hired vehicle coverage, with at least \$1,000,000 combined single limit; (5) excess/umbrella liability coverage with a limit of \$3,000,000 that goes over general liability, auto liability, worker's compensation and abuse/molestation; (6) insurance coverage required by your rental/space agreement, or as we may otherwise require; and (7) business interruption insurance for actual sustained loss you

sustain for 12 months or not less than fifty percent (50%) of annual Net Sales. We currently have a sole approved vendor for the provision of this insurance.

Leases

You will be required to find and obtain a suitable site for your Franchised Location. If you purchase a Code Ninjas Center, and you will occupy the premises of your Franchised Location under a lease, then you must, before executing the lease, submit the lease to us for our review and approval, which will not be unreasonably withheld. Your lease or sublease (or rider to the lease or sublease) must contain the lease terms and conditions that we may reasonably require in writing. Our current required Lease Rider is included as an Exhibit to the Franchise Agreement. We do not typically own the premises of your Franchised Location and lease it to you. If you operate a Code Ninjas Studio, you must submit to us for our review and approval a written agreement allowing you access and use to the space in which your Code Ninjas Studio will operate, which approval will not be unreasonably withheld.

Design, Construction and Signage

We currently have designated a third-party supplier as our sole source of design services to prepare all designs and plans for Code Ninjas Centers. This vendor is also currently the sole source of the required furniture and design elements for your Franchised Location (see Item 11 under the subheading "Construction and Layout of Center" for additional information). You must then hire a licensed architect to prepare all final required construction plans and specifications to suit the shape and dimensions of your site.

We also currently have designated a third-party supplier to design, manufacture and supply the exterior signage for your Franchised Location in accordance with our brand standards and specifications. You must engage this designated supplier to manufacture and design all exterior signage for your Franchised Location, and such other signage that we may require (see Item 11 under the subheading "Construction and Layout of Center" for additional information).

You must hire a qualified licensed general contractor, who is acceptable to us, to construct the Franchised Location.

We also may require you to materially refurbish the premises of your Franchised Location to conform to the System's then-current design, trade dress, color schemes and presentation of the Marks. Such refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements, and must be completed pursuant to such standards, specifications and deadlines as we may specify as are standard to the System at the time. We may not require you to do so more than once every five (5) years, unless sooner required by your real estate lease. (Franchise Agreement, Section 8.22)

These requirements do not apply to a Code Ninjas Studio.

Advertising

You are required to adopt a Grand Opening Advertising Program in compliance with our requirements. As part of this program, you are required to use our designated vendor to provide public relations services consistent with our brand standards and other Code Ninjas Centers and Studios in connection with the opening of your Franchised Location.

You are also required to spend a certain amount of local advertising and promotion per month in compliance with our current policies, which currently require you to spend it on digital marketing services. We will have the right to review and approve all marketing plans and promotional materials that you propose to use, and we have certain digital marketing packages available that you may choose to purchase from us that count towards this requirement. You may not implement any marketing plan or use any promotional material without our prior written consent.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section(s) in Franchise Agreement	Section(s) in Area Development Agreement	Item in Disclosure Document
(a) Site selection and acquisition / lease	1.2, 1.3 and 5 and Exhibit G	3.2, 3.3 and 5.1	7, 8 and 11
(b) Pre-opening purchases/leases	5, 7, 8.7, 8.8, 8.9 and Exhibit J	3.2, 3.3 and Exhibit E	7, 8 and 11
(c) Site development and other pre-opening requirements	5 and Exhibit J	3	7, 8 and 11
(d) Initial and ongoing training	6	5.5	6, 7 and 11
(e) Opening	5 and Exhibit J	1.1, 3.1, 3.2, 3.4.4 and Exhibits A and E	7, 8 and 11
(f) Fees	2.2.10, 4, 8.7.2, 8.13, 8.26.3, 15.3.10, 16 and Exhibit J	4, 7.4 and Exhibit E	5 and 6

Obligation	Section(s) in Franchise Agreement	Section(s) in Area Development Agreement	Item in Disclosure Document
(g) Compliance with standards and policies/Operating Manual	3.3, 8, 10, and 13	5	8, 11, and 14
(h) Trademarks and proprietary information	7.7, 8.8, 8.11, 9, 10.2, 11 and Exhibit J	1.4	13 and 14
(i) Restrictions on products/services offered	1.4, 7.7, 8.6, 8.7, 8.8 and 8.12	1	5, 8 and 16
(j) Warranty and customer service requirements	8 and 23	Not Applicable	16
(k) Territorial development and sales quotas	1 and Exhibit A	1, 3.1, 3.2 and Exhibit A	12
(l) On-going product/service purchases	8	Not Applicable	8
(m) Maintenance, appearance and remodeling requirements	5, 8 and Exhibit J	Not Applicable	8
(n) Insurance	14 and Exhibit J	Not Applicable	7 and 8
(o) Advertising	4.4 and 13	Not Applicable	6, 7, 8, and 11
(p) Indemnification	21.4	12.4	Not Applicable
(q) Owner's participation / management and staffing	8.3 and 8.4	5.2	15
(r) Records/reports	12	5.3 and 5.4	6

Obligation	Section(s) in Franchise Agreement	Section(s) in Area Development Agreement	Item in Disclosure Document
(s) Inspections/audits	8.10 and 12.3	5.4	6 and 11
(t) Transfer	15 and Exhibit J	7	17
(u) Renewal	2.2 and Exhibit J	Not Applicable	17
(v) Post-termination obligations	11, 17 and 18.3	6.6 and 8	17
(w) Non-competition covenants	18	8	17
(x) Dispute resolution	27	16	17
(y) Liquidated damages	17.7	Not Applicable	6
(z) Guaranty of franchise obligations (Note 1)	Personal Guaranty (which follows the Franchise Agreement)	Personal Guaranty (which follows the Area Development Agreement)	Item 15

Note 1: Each individual who is an owner of any business entity that is the franchisee or area developer must sign a personal guaranty of all of the obligations of the franchisee or area developer. This personal guaranty also includes an agreement to be bound by the confidentiality and noncompete provisions of the Franchise Agreement.

ITEM 10 **FINANCING**

We do not generally offer, directly or indirectly, any financing to you to help you establish your business, except as set forth in this Item 10. We do not guarantee your notes, leases or other obligations. Our current lender relationships, as of the date of this Disclosure Document, are as follows:

1. Guidant Financial Group, Inc. (“**Guidant**”) provides a program to our franchisees that allows you to use your retirement funds to buy your business without incurring tax penalties or getting a loan. Guidant also brokers conventional and Small Business Association (“**SBA**”) loans. Guidant’s products are available to single and multi-unit franchisees.

401(k) Business Financing

Guidant offers a program that allows you to use your retirement funds to buy your business without incurring tax penalties or getting a loan. Known as 401(k) business financing (or formally Rollovers for Business Start-Ups), Guidant charges a fee of \$4,995 for this service, which includes filing your business entity, designing a company 401(k) plan, helping you roll all (or a portion of) your existing retirement funds from your current custodian account to the new 401(k), and providing you with two (2) consultations with a tax attorney to review the transaction. In addition, they provide ongoing, annual administration of your 401(i) plan for \$139 per month. The form of agreement you would sign with them is attached as Exhibit L-1.

Conventional and SBA Loans

Guidant can also help you secure an SBA loan for your business. A consulting fee of \$2,500 applies, however, this does come with a fully refundable guarantee should Guidant not be able to secure you funding. You may also use 401(k) business financing as the down payment for your SBA loan through Guidant.

Guidant further offers unsecured financing. This program allows you to secure up to \$125,000 in capital pending credit score and debt utilization. Minimum credit score of 680 is required. There is 9% fee of whatever amount you draw against for this service.

Guidant can also secure equipment leasing for you. Approvals generally obtained within 48 hours. New locations require 10% down. Interest rates vary from 6.99 to 13.90% depending on credit score. Lease term up to 60 months. New business requires a credit score of 700 or higher while existing business require accredit score of 650 or higher. There is a fee associated with this service and it can range from \$250 to \$500.

Guidant also offers Portfolio Loans. This is a way to leverage your non-retirement stocks, bonds and mutual funds up to 80% of their value. Portfolio must be worth at least \$85,000. No minimum credit score required. The fee associated with this program is 2-3% of the value of the collateral. Start-up locations can also elect to defer payments for up to 2 years.

Loan terms for these programs, including interest rate, term, monthly payments, required collateral and penalties for default depend on credit income, loan maturity, and a variety of other factors as assessed by Guidant or individual lenders.

We have a separate agreement with Guidant which requires that we are paid \$1,000 as a referral fee for each client that engages in their retirement rollover program. There is no direct affiliation between us and Guidant.

2. Benetrends, Inc. ("**Benetrends**") provides a program to our franchisees that allows you to use your retirement funds to buy your business without incurring tax penalties or getting a loan. Benetrends also brokers (SBA loans. Benetrends' products are available to single and multi-unit franchisees.

401(k) Business Financing - Rainmaker Program

Benetrends offers a program (the “**Rainmaker Program**”) to our franchisees which allows you to utilize the full value of your pre-tax retirement accounts for the purchase and capitalization of your business without tax or penalty consequences. The Rainmaker Program can also be used to make the necessary cash injections required by SBA lenders. However, unlike a loan, the retirement funds used to capitalize the business do not need to be paid back to the plan, and no term, interest rate, security, or default terms apply. Benetrends also offers an additional program called the (“**Rainmaker Advantage Plan**”) or RAP Program for short. This is a program designed for people funding the business primarily with cash (as opposed to retirement money) and potentially with SBA financing. You may use up to the full value of an eligible account to finance your business. Benetrends charges a fee of \$4,995 for this service, which includes filing for your business entity and obtaining your FEIN number, setting up the proper legal documentation for your entity, plan, and adoption agreement, providing an initial stock valuation for the new entity, and unlimited consultation with a retirement plan analyst on the design and compliance requirements. Benetrends also provides ongoing retirement plan services designed to keep your plan in compliance for a fee of \$145 per month. The form of agreement you would sign with them is attached as Exhibit L-2.

We have a separate agreement with Benetrends which requires that we are paid \$1,000 as a referral fee for each client that engages in their retirement rollover program. There is no direct affiliation between us and Benetrends.

U.S. SBA 7(a) Loan Program (SBA)

Benetrends offers a program assisting franchisees in finding financing of up to \$5,000,000. Benetrends collects a consulting fee of \$2,500 or 2% of the loan amount, whichever is less. The consulting fee is refundable should Benetrends not be able to find funding. The financing includes furniture and fixtures, equipment, office equipment, supplies, signage, start-up working capital, owner occupied commercial real estate and leasehold improvements, based on credit approvals. Financing is offered as a loan that requires a range of down payment ranging from 15% to 30% of total project costs, depending on your credit strength. The length of the loan terms vary from 120 to 300 months. Interest rates typically vary up to a maximum of Wall Street Journal Prime Rate plus 2.75% per annum, based on your financial and credit worthiness. At a minimum the banks will require all business assets as collateral. Based on the banks’ internal policies along with the SBA policies additional personal collateral may be required. The amount of your loan payments will depend on the amount financed, the term of the loan, and the interest rate. You have the ability to prepay your loan without penalty for loans with a term of less than 15 years. For loans with terms of 15 years or more the prepay penalty during years 1, 2, and 3 are 5%, 3% and 1% respectively.

Loan terms for this program, including, penalties for default, depend on credit income, loan maturity, and a variety of other factors as assessed by Benetrends or individual lenders.

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

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

Pre-opening Obligations

Under the Franchise Agreement. Before you open your Franchised Location:

1. We will approve or deny your proposed site for each Franchised Location. (Franchise Agreement, Section 5.1 and Exhibit J)

2. We will provide you with our standard initial training program for up to three (3) persons. (Training is also discussed below in this Item 11 under the subheading "Training.") We will be responsible for the cost of instruction and materials, subject to the terms stated in the Franchise Agreement. At our option, we may provide this training one time if you have multiple agreements with us or are an existing franchisee that has already completed our initial training program. (Franchise Agreement, Sections 3.2, 6)

3. If you purchase a Code Ninjas Center, we will, at no charge to you, provide you or the approved design firm with our prototype plans and specifications for the construction of a Code Ninjas Center and for the interior design and layout, fixtures, equipment, furnishings, and signs. You will be responsible for engaging our designated design firm to adapt the plans to your site (with our approval as described below under the heading "Construction and Layout of Center"), and for hiring an architect and contractor to build your Franchised Location in accordance with those approved plans. You are also responsible to engage our designated signage vendor to manufacture and supply the exterior signage for your Franchised Location. You are responsible for compliance with all local and other requirements relating to the plans, including for example, zoning, code, and compliance with the Americans with Disabilities Act. (Franchise Agreement, Sections 3.1, 5.3)

4. We will lend you, for the duration of the Franchise Agreement, copies of the Manuals (which is more fully described in Item 14 below). (Franchise Agreement, Section 3.3)

5. We will assist you in developing a Grand Opening Advertising Program (which is more fully described in Item 7 of this Disclosure Document and in this Item under "Advertising"); you will be responsible for the cost of this program, as well as engaging our designated vendor for public relations services as part of your Grand Opening Advertising Program. (Franchise Agreement, Sections 3.5, 13.3)

6. We will provide you a list of our then-current designated or approved suppliers. (Franchise Agreement, Section 3.8)

Under the Area Development Agreement: Before you open the Franchised Location:

1. We will approve or deny your proposed site for each Franchised Location. (Area Development Agreement, Section 3.2 and Exhibit E)

2. We will provide you with site selection guidelines, including our minimum standards for Code Ninjas locations, and other site selection counseling and assistance as we deem appropriate. (Area Development Agreement, Section 5.1)

We are not required by the Franchise Agreement or Area Development Agreement to furnish any other service or assistance to you before the opening of your Franchised Location.

Continuing Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you. During the operation of your Franchised Location:

1. We may conduct, as we deem advisable, periodic inspections of the Franchised Location and may provide evaluations of the products sold and services rendered at the Franchised Location. (Franchise Agreement, Sections 3.7, 8.7.2, 8.7.3)

2. We may make available additional training programs, as we deem appropriate. (Franchise Agreement, Sections 6.4, 6.7)

3. We will give you periodic and continuing advisory assistance as to the operation and promotion of the Franchised Location, as we deem advisable. (Franchise Agreement, Section 3.6)

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

Site Selection

Under the Franchise Agreement – Section 5 of the Franchise Agreement

If you purchase a Code Ninjas Center and you do not already possess a location that we find acceptable when you sign our Franchise Agreement, we will provide you with procedures for locating, evaluating, and obtaining our approval of a site. You will be given up to four (4) months in which to find and secure a suitable site (through lease or purchase) for your Code Ninjas Center within the area that we designate as your site selection area. Your Code Ninjas Center must be opened and operating under our requirements within eight (8) months following the execution of the Franchise Agreement (the “**Required Opening Date**”). After eight (8) months from the date you sign the Franchise Agreement, you must begin paying the Minimum Royalty Fee to us, whether or not your Code Ninjas Center is open.

If you purchase a Code Ninjas Studio, your Required Opening Date will be one hundred twenty (120) days from the execution of the Franchise Agreement, and you must begin paying

the Minimum Royalty Fee to us on that date, whether or not your Franchised Location is operating.

If you do not comply with the requirements with respect to your Required Opening Date, we will place the Franchise Agreement in default and, if you do not open within the time provided for cure, we may terminate the Franchise Agreement and you will receive no refund of any fees paid.

In order for us to review a proposed site for approval, you must submit to us a completed site approval package in a form specified by us, which includes a trade area and site marketing research analysis (prepared by a company approved in advance by us), an option contract, letter of intent or other evidence satisfactory to us that describes your favorable prospects for obtaining such site, photographs of the site, demographic statistics, and other such other information or materials that we may reasonably require (collectively, the "SAP"). We will have twenty (20) business days after we receive the SAP from you to approve or disapprove, in our sole discretion, the proposed location for the Franchised Location. You must, on terms that we deem acceptable, secure a lease or a binding agreement for the purchase of the approved site. The lease or purchase agreement must be submitted to us for our approval prior to its signing.

Under an Area Development Agreement - Sections 3.2 and 3.3 of the Area Development Agreement

Under the Area Development Agreement, you will have the right to develop, open, and operate multiple Code Ninjas Franchised Locations. Each Franchised Location must be developed and opened according to our then-current system standards and other approval requirements. We will determine or approve the location of future Franchised Locations and any protected territories for those Franchised Locations based on our then-current system standards for sites and protected territories.

For each proposed site for a Code Ninjas Center to be developed under the Area Development Agreement, you must also submit to us a completed SAP. We will have twenty (20) business days after we receive the SAP from you to approve or disapprove, in our sole discretion, the location for the Franchised Location. You must, on terms that we deem acceptable, secure a lease or a binding agreement for the purchase of the approved site. If you are developing a Code Ninjas Studio, you must submit the information we require about the secondary shared or community space that you intend to operate in. You must obtain an agreement to utilize that space for a minimum of twelve (12) months, on terms we deem acceptable.

Under the Franchise Agreement and Area Development Agreement, we will be deemed to have disapproved a proposed location unless we have expressly approved it in writing. In approving a location for a Franchised Location, we consider the location, neighborhood, traffic patterns, visibility, parking facilities, size, lease, and zoning. For a Code Ninjas Studio, we also consider the population of the area and the proximity to any existing or planned Code Ninjas Center or protected territory. If you do not locate and secure an acceptable site within the

required time frames, you will be in default of your agreement with us for which we may terminate your agreement.

Under the Franchise Agreement and Area Development Agreement, our approval (or failure to disapprove) of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Location or for any other purpose, or as to any expected level of sales, revenues or profits. Approval by us of the site indicates only that the site meets the minimum requirements for a Code Ninjas Center or Studio location.

If you sign an Area Development Agreement, you must sign individual Franchise Agreements and begin operating a Code Ninjas Center or Studio under each of those agreements within the time provided for in the Development Schedule attached as Exhibit A to that agreement. If you are opening Code Ninjas Studios pursuant to an Area Development Agreement, under the Development Schedule the Required Opening Date for the first Studio will be one hundred and twenty (120) days from execution of the Area Development Agreement, with subsequent Required Opening Dates for each additional Studio occurring every thirty (30) days thereafter. As an example, if you sign an Area Development Agreement to open three (3) Studios, the Required Opening Date for Studio #1 will be one hundred and twenty (120) days after signing the Area Development Agreement, the Required Opening Date for Studio #2 will be one hundred and fifty (150) days after signing the Area Development Agreement, and the Required Opening Date for Studio #3 will be one hundred and eighty (180) days after signing the Area Development Agreement. For each Studio, you must begin paying the Minimum Royalty Fee to us on the Required Opening Date, whether or not your Studio is operating.

Construction and Layout of Center – Section 5.3 of the Franchise Agreement

You are responsible for developing your Franchised Location. If you are opening a Code Ninjas Center, we will provide our standard plans and specifications for a prototype center, including interior design and layout, to you or to the design firm or architect that we have designated or approved (as described below). These plans and layouts are not intended, with respect to your particular location, to contain, address or comply with the requirements of any federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act (the “ADA”) or similar rules governing public accommodations for persons with disabilities. We may from time to time change our prototypes and plans (including our specifications for the interior and exterior appearances) of Code Ninjas Centers, and develop or approve variations on our prototypes and plans to reflect locations with differing sizes, structural elements, visibility and other relevant factors.

As of the date of this Disclosure Document, we have designated a supplier of design services to prepare designs and plans for Code Ninjas Centers in accordance with our specifications. You must locate and employ a qualified architect who is licensed in your jurisdiction and who is reputable and experienced in providing architecture services to adapt these designs to final construction documents. You will be responsible for paying for all design and architecture services.

You will be solely responsible for ensuring that such plans and specifications comply with the ADA and all other applicable regulations, ordinances, building codes and permit requirements and with lease or sublease requirements and restrictions, if any. You must submit final plans and specifications to us for approval before construction of the Franchised Location begins. Our review is not designed to assess compliance with federal, state or local laws and regulations and is limited to review of such plans to access compliance with our design standards for Code Ninjas Centers, including such items as trade dress, presentation of Proprietary Marks, and the provision to the potential customer of certain products and services that are central to the functioning of Code Ninjas Centers. Additionally, prior to opening the Franchised Location (and prior to renovating it after the initial opening), you must sign and deliver to us an ADA certification certifying to us that the Franchised Location and any proposed renovations comply with the ADA.

If you are developing a Code Ninjas Studio, you will not be required to complete construction for the Franchised Location, and you will not be required to utilize our supplier of design services or a qualified architect. You will be responsible for ensuring that your operations meet the requirements of the space in which you operate, as well as all other applicable laws, regulations, and ordinances. This space must comfortably seat a minimum of 10 students, 2 guests, 2 staff members, may not be the primary use of the build-out that the space is in, and you must have access to it for a minimum of 12 months from the date of approval. It must otherwise meet our then-current requirements as set forth in the Manuals, and has been approved in writing by us following submission of required information about the location. (Franchise Agreement, Exhibit J).

Opening of Franchised Location

We estimate that the time period between the signing of the Franchise Agreement and the start of operations of a Code Ninjas Center will be approximately four (4) to seven (7) months. Factors that may affect this time period include your ability to obtain financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures and signs. Unless we agree in writing otherwise, you must conduct the opening of your Franchised Location within eight (8) months following the execution of the Franchise Agreement. In the event you do not open within this time frame we may terminate the Franchise Agreement and you will receive no refund of any fees paid. If your Franchised Location is not open on or before eight (8) months from the date you sign the Franchise Agreement, you must begin paying the Minimum Royalty Fee. (Franchise Agreement, Section 5.4).

For a Code Ninjas Studio, we estimate that the time period between signing the Franchise Agreement and the start of operations will be approximately thirty (30) to one hundred twenty (120) days. Factors that may affect this time period include your ability to obtain a space in which to operate. Unless we agree in writing otherwise, you must commence operating your Code Ninjas Studio within one hundred twenty (120) days of the signing of the Franchise Agreement, and you must begin paying the Minimum Royalty Fee on that date whether you are operating or not. (Franchise Agreement, Exhibit J).

If you operate a Code Ninjas Center, we also may require you to materially refurbish the premises of your Franchised Location to conform to the System's then-current design, trade dress, color schemes and presentation of the Marks. Such refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements, and must be completed pursuant to such standards, specifications and deadlines as we may specify as are standard to the System at the time. We may not require you to do so more than once every five (5) years, unless sooner required by your real estate lease. (Franchise Agreement, Section 8.22). Refurbish requirements do not apply to Code Ninjas Studios. (Franchise Agreement, Exhibit J).

Computer System – Section 7 of the Franchise Agreement

You will need to acquire (either by purchase or lease) the computer hardware and software system (a “**Computer System**”) that we may specify from time to time. (Franchise Agreement, Section 7.1) The term Computer System refers to cash register or point of sale systems, hardware, software for the management and operation of the Franchised Location and for reporting and sharing information with us, and communication systems (including modems, cables, etc.). Our requirements may fluctuate as does the price and availability of new computer technology. As of the date of this Disclosure Document our requirements are described below. We have not approved any hardware or software in place of these systems and programs, although we reserve the right to do so in the future.

Currently, the Computer System includes:

- One laptop computer, with specifications in accordance with the Manuals
- Operation System: Microsoft Windows 7, or more recent version
- Software: Microsoft Office Suite (including 2 Office 365 Accounts), QuickBooks Online and Google Chrome
- Multi-Function Printer
- iPad (Optional)

The current cost to purchase the required Computer System is approximately \$500 to \$2,000, which is subject to change. The current cost of QuickBooks Online is \$20 to \$40 per month, which is also subject to change. The current cost of the optional iPad is approximately \$400.

We will also require that you use our online payment processing website portal operated by our parent, FranchiCzar, at www.franchiczar.com (that we have currently designated, but reserve the right to change) for all customer payment processing, and the payment of all fees and other amounts owed to us under the Franchise Agreement. See Item 6 for additional details.

You are required to use other proprietary software that we designate from time to time, including to license specific aspects of your curriculum. You may be required to sign a license or maintenance agreement, either with us or a vendor, in order to obtain and use any such software. Neither we, our affiliates or a third party has any contractual obligation to provide maintenance, repairs, updates or upgrades to your Computer System. We currently do not

require that you maintain contracts for hardware and software maintenance, support and upgrade services for the communications and information systems. You will be required to maintain a high-speed internet connection at all times (i.e., T1 line, DSL, cable modem).

We charge an Electronic Systems Fee for products and services related to informational technology, including email, website management, and access to our electronic support systems and operating software, in connection with the Franchised Location and System, which you must begin to pay on the first day of the calendar month following the month in which you sign your Franchise Agreement. As of the date of this Disclosure Document, the Electronic Systems Fee is \$110 per month, however we reserve the right to increase this fee to cover our costs in provision of such services.

You must provide us with unimpeded online access to your Computer System, including access to your QuickBooks account activity (which may require re-authorization from time to time), in the manner, form, and at the times requested by us. If you are opening a Code Ninjas Center, you must also provide us with access to any web based video or camera feed of the Franchised Location.

We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet operational needs and changes. We may require you to bring any computer hardware and software, related peripheral equipment, communications systems into conformity with our then-current standards for new Code Ninjas Centers and Studios. You must periodically make any upgrades and other changes to the Computer System and required software that we may request in writing. We will endeavor to keep these changes infrequent and reasonable in cost, but the Franchise Agreement does not impose a limit as to the number or cost of such changes to the Computer System. Other than providing you with information regarding our specifications and requirements for the Computer System, we are not required to assist you in obtaining hardware, software or related services.

You must provide us with independent access to your Computer System in the form and manner that we may request. We reserve the right to download sales, other data and communications from your Computer System. There is no contractual limitation on our right to receive this information. We will exclusively own all data provided by you, downloaded from your Computer System, and otherwise collected from your Computer System. We will have the right to use such data in any manner that we deem appropriate without compensation to you.

We will also have the right to establish a website or other electronic system providing private and secure communications (e.g., an extranet or intranet) between us, our franchisees, and other persons and entities that we determine appropriate, which requires you to have high speed internet access at all times. If we require, you must establish and maintain access to the extranet or intranet in the manner we designate. Additionally, we may from time to time prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign. (Franchise Agreement, Section 7.5)

Advertising

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, we reserve the right to require that you spend certain amounts on advertising and promotion each year during the term of the Franchise Agreement as set forth below. We do not currently maintain a System advertising fund, and instead currently impose a local advertising requirement on our franchisees, although we reserve the right to establish one in the future. Therefore, we are not currently obligated to spend any amount on advertising programs, whether within your market or territory or otherwise. (Franchise Agreement, Section 13.1)

Although we currently do not require it, we may require you to pay us a General Advertising Fee of the greater of (i) 3% of Net Sales or (ii) \$1,000 per month. This is a fee you pay to us in consideration of marketing and promotional efforts that we undertake to benefit the CODE NINJAS® brand and the System. This fee is not a contribution to an independent advertising fund or a pooled advertising program. Payments are accounted for as general operating revenue, and we do not provide a separate accounting for how this revenue is spent. Amounts paid to us in the form of the General Advertising Fees may be used by us to pay our expenses relating to marketing and promotion.

We will direct all programs financed by the General Advertising Fee and will have sole control over the creative concepts and materials used and their geographic, market, and media placement and allocation. We may use the General Advertising Fees to advertising locally, regionally, nationally or internationally in print materials, on radio or television, on the internet, and through social media channels, according to our sole discretion. We intend to use the General Advertising Fees to maximize recognition of the CODE NINJAS® brand and System as a whole, but we have no obligation to ensure that we make marketing expenditures in or affecting any particular geographic area, or to ensure that expenditures across geographic areas are proportionate in any way.

You must spend three percent (3%) of your Net Sales monthly on local advertising and promotion. We have the right to require that you provide us with proof that these funds were spent. Certain criteria will apply to any local advertising and promotion that you conduct. All of your local advertising and promotion must be dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You must follow the procedures provided in the Manuals with respect to all advertising and promotional requirements. Currently, we require you to spend the minimum local advertising and promotion amount on digital marketing. You may not use any advertising or promotional plans that we have not approved in writing. If you wish to use your own advertising materials or promotional plans, you must submit to us samples of all proposed plans and materials. If we do not give our written approval within five (5) days, we will have been deemed to have disapproved the plans or materials. We also reserve the right to require you to discontinue the use of any previously approved advertising, sales, or marketing materials. (Franchise Agreement, Section 13.2)

All copyrights in and to advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if

necessary, require your independent contractors to sign the documents) that we deem necessary to implement this provision. At our request, you must include certain language in your local advertising materials, such as “Franchises Available” and our Website address, telephone number, social media icons, and addresses.

As discussed in Item 7, in addition to (and not in place of) the local advertising obligation, you must prepare and conduct a grand opening advertising program (the “**Grand Opening Advertising Program**”), in accordance with our specifications for that program. All materials used in the Grand Opening Advertising Program will be subject to our prior written approval, as described above. The Grand Opening Advertising Program is considered “local advertising and promotion” (but does not count toward your monthly local advertising requirement) and is therefore subject to the restrictions described below. We will work with you to develop your Grand Opening Advertising Program for your market. As part of your Grand Opening Advertising Program, you must use our designated public relations firm for public relations services surrounding the opening of your Franchised Location. (Franchise Agreement, Section 13.3)

We, our affiliates or approved suppliers may periodically make available to you, for purchase, certain advertising plans and promotional materials for your use in local advertising and promotion. We do not have a local or regional advertising cooperative franchisees must participate in or an advertising council comprised of franchisees, nor do we have the rights to require you to participate in a local or regional advertising cooperative in the franchise agreement.

As used in the Franchise Agreement, the term “**local advertising and promotion**” refers to advertising and promotion related directly to the Franchised Location, and unless otherwise specified, consists only of the direct costs of purchasing advertising materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including, but not limited to, advertising agency fees and expenses, cash and “in-kind” promotional payments to landlords, postage, shipping, telephone, and photocopying), and such other activities and expenses as we, in our sole discretion, may specify. Local advertising and promotion does not, however, include any of the following: salaries and expenses of your employees; charitable, political, or other contributions or donations; and the value of discounts given to customers.

Advisory Council

We may, in our discretion, form an advisory council made up of franchisees and franchisor representatives. Franchisees will be chosen to participate in the council based on, in part, performance and length of time in the System. The advisory council will act in an advisory capacity only and will not have decision making authority. Once an advisory council has been formed we reserve the right to change or dissolve it at any time. (Franchise Agreement, Section 8.27)

Websites

Websites (as defined below) are considered as “advertising” under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term “**Website**” means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate and that refers to the Franchised Location, Proprietary Marks, us, or the System. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, the Franchise Agreement provides that you may not establish a Website, nor may you offer, promote, or sell any products or services, or make any use of the Proprietary Marks, through the Internet without our prior written approval. As a condition to granting any such consent, we will have the right to establish any requirement that we deem appropriate, including among other things a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website. (Franchise Agreement, Section 7.6)

Training

Before your Franchised Location opens, you must complete all of our initial training requirements. If you have more than one Franchise Agreement with us, we may, at our option, provide this training one time for multiple agreements. For any new franchisees, we may provide this training in-person or virtually. You (or, if you are other than an individual, your Designated Principal) and, if applicable, the Director must attend and successfully complete, to our satisfaction, the initial training program that we offer at a location designated by us, which may be a physical location or may be provided virtually. Additionally, we may also require that other persons, up to a total of three (3) individuals (including the Designated Principal and the Director), attend and successfully complete the initial training program. We will bear the cost of the initial training program (instruction and required materials) for up to three (3) people. You will be responsible to pay our then-current cost for additional persons to attend which is currently \$500 per additional person. You will bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and worker’s compensation insurance (see Items 6 and 7 of this Disclosure Document). If we require that additional or replacement managers attend and complete the initial training program, we reserve the right to require you to pay our per diem training charges. (Franchise Agreement, Section 6)

If you (or the Designated Principal) or the Director cease active employment in the Franchised Location, then you must enroll a qualified replacement (who must be reasonably acceptable to us) in our initial training program promptly following cessation of employment of said individual, provided that you may train Directors in accordance with Section 6.3 of the Franchise Agreement. The replacement Designated Principal and any required managers shall complete the initial training program as soon as is practicable, but in no event later than any time periods we specify from time to time in the Manuals and otherwise in writing. Replacements managers must be trained according to our standards and you may be permitted to provide such training directly, provided you meet our then-current standards for qualifying as a training facility. We have the right to review any personnel you trained and to require that such persons attend and complete, to our satisfaction, our initial training program.

If you request additional training or assistance, and if we desire to provide this training or assistance in our sole discretion, we may charge you our then-current per diem training fee, which is currently \$500 per day per trainer, for the additional training provided; and you will also have to reimburse us for all out of pocket costs and expenses associated with the additional training, including lodging, food and travel arrangements of the trainers. Additionally, if we determine, in our sole discretion, that you are in need of additional supervision or supplemental training, we may require that you receive such training from us, in which case you agree to also pay our then-current per diem training fee which is currently \$500 per day per trainer for the additional training provided; and you will also have to reimburse us for all out of pocket costs and expenses associated with the additional training. You will also be responsible to pay your costs associated with such additional, including lodging, food and travel arrangements as applicable. We may require that you complete refresher and additional training programs, and we may offer the programs on a voluntary basis. If you request that we conduct any additional training sessions (required or voluntary), and we do so, then we may charge you our then-current per diem training fee for that training we provide, and you will also have to reimburse us for all out of pocket costs and expenses described above. (See Item 6 regarding the costs.) (Franchise Agreement, Section 6.7)

The subjects covered in the initial training program are described below. The instructional materials for our training program include the Manuals and training guides. Initial training programs are scheduled throughout the year on an as needed basis. We have the right to change the duration and content of our initial training program.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pre-Training materials	10	0	Online
Operations and Systems	40	0	As we determine, online or at Code Ninjas headquarters, currently in Pearland, Texas, and at designated Code Ninjas Centers
Post-Training materials	10	0	Online
Total	60	0	-

The initial training, as described above, is currently conducted at our headquarters in Pearland, Texas and at designated Code Ninjas Centers. Pre-opening training and opening

assistance will also be conducted on-site at your Franchised Location for a period of time as is deemed required by us. The initial training must be completed at least thirty (30) days in advance of the scheduled opening of your Franchised Location.

Currently, our training staff is run by Shauna Garner, our Director of Training, who has over twenty (20) years of experience in training. We will use additional instructors on our training staff to conduct our training programs. Our additional instructors generally have substantial operations experience, and a minimum of one (1) year of experience in training and development. They have demonstrated successful operations and performance with our affiliate-owned operations.

Manuals

You will be required to comply with all of the specifications, procedures, and standards set out in our Manuals, the table of contents of which are provided in Exhibit I, and which Manuals are subject to change in our discretion. Our Manuals contain a total of 291 pages. (Franchise Agreement, Section 10)

ITEM 12 TERRITORY

Franchise Agreement and Area Development Agreement

The following describes how Territories and Development Areas are determined, and the rights that you and we have under the Franchise Agreement and the Area Development Agreement.

Under the Franchise Agreement – Code Ninjas Centers

Your Franchise Agreement will specify the site that will be the Approved Location for your Franchised Location. Your Franchise Agreement may also specify a protected territory (“**Territory**”). The size and scope of the Territory will be contained in the Franchise Agreement and will be determined, in our sole discretion, during the site confirmation process based upon various factors such as (a) whether the Approved Location is an urban area or a suburban area; (b) the number of residents living in the area; and (c) the number of primary and secondary school students in the area; among other factors. Because each location is different, the Territory for each Franchised Location will be different; however, each Territory will generally range from a one-half (1/2) mile radius to a three (3) mile radius around the Franchised Location. The Territory is not the same area as, and will be smaller than, the site selection area in which you will be looking for a site.

Under the Franchise Agreement – Code Ninjas Studios

In order to qualify for the purchase of a Code Ninjas Studio, the population of your Territory must generally be less than 7,000 potential students (generally, children between the ages of 5 to 15 years old) within a three (3) mile radius, and which are located a minimum of the

closer of twenty (20) miles or a twenty (20) minute one-way drive time from the territory of an existing or planned Code Ninjas Center. Your Franchise Agreement will specify the Territory. The size and scope of the Territory will be contained in the Franchise Agreement and will be determined, in our sole discretion, based upon (a) the number of residents living in the area; and (b) the proximity of the Territory to any Code Ninjas Center. Generally, each Territory will be a one (1) mile radius. You must secure a secondary use space, such as shared or community space in a college, school, church, community center or library, which is subject to our approval and must meet our then-current requirements.

Under the Franchise Agreement - General

Except as described below, there are no circumstances under which the Territory may be altered prior to expiration or termination of the Franchise Agreement. Your territorial protection is not dependent upon achievement of a certain sales volume, or other factors, other than compliance with the Franchise Agreement and other agreements you have with us and our affiliates.

As a result of our reserved rights described below, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You are permitted to provide off-premises services with our consent only within your Territory and are prohibited from providing off-premises services outside of your Territory, unless we allow you to do so by providing you with written permission. If you choose to operate a Dojo2Go mobile trailer as part of your Franchised Location, you may provide certain services that we prescribe to schools, businesses, parties, and other events located within your Territory. If you are in compliance with your Franchise Agreement and if you receive a bona fide referral for an event or location outside of your Territory, and it is not in the protected territory of another Code Ninjas franchisee, we may provide you permission to service that event or location, on the condition that we may require you to cease providing services outside of your Territory upon notice from us.

If, during the term of the Franchise Agreement, you wish to relocate your Franchised Location, or if the Franchised Location is damaged or destroyed and cannot be repaired within sixty (60) days, you must submit to us in writing the materials required in order to consider your request, including information concerning the proposed new location for the Franchised Location and our fee (see Item 6). You must also meet certain other requirements, including but not limited to being in compliance with the Franchise Agreement, and the location meets our then-current requirements for a Code Ninjas Center or Studio and is located within your Territory. If we permit you to relocate, you will not pay a new Franchise Fee when you sign the new Franchise Agreement. (Franchise Agreement, Section 8.26)

You may sell products and services to retail customers and prospective retail customers who live anywhere but who choose to visit your Code Ninjas Center or Studio. You may not engage in any promotional activities or sell products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common

carrier electronic delivery system (collectively, the “**Electronic Media**”); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. You may not place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located outside of your Territory. You have no options, rights of first refusal, or similar rights to acquire additional franchises. You may not sell the products to any business or other customer for resale purposes.

Although we have not done so, we and our affiliates may sell products and services under the Proprietary Marks within and outside your Territory through any method of distribution other than a Code Ninjas Center or Studio, including sales through such channels of distribution as wholesalers, distributors, mail order, toll free numbers, the Internet, catalog sales, telemarketing or other direct marketing sales (together, “**alternative distribution channels**”). You may not use alternative distribution channels to make sales outside or inside your Territory and you will not receive any compensation for our sales through alternative distribution channels.

We have not yet established and do not presently intend to establish other franchises or company-owned or affiliate-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Under the Area Development Agreement

If you sign an Area Development Agreement, the Area Development Agreement will specify the Development Area within which you may locate potential sites for Code Ninjas Centers or Studios, subject to our approval. The size and scope of the Development Area will be determined on a case-by-case basis, as we mutually agree upon prior to signing the Area Development Agreement and will be specified in the Area Development Agreement. The factors that we consider in determining the size of a Development Area include current and projected market demand, demographics and population, traffic patterns, location of other Code Ninjas Centers and Studios, your financial and other capabilities, the number of Code Ninjas Centers and/or Studios you wish to develop and our development plans.

Under the Area Development Agreement, you will have the right to develop, open, and operate multiple Code Ninjas Franchised Locations. Each Franchised Location must be developed and opened according to our then-current system standards and other approval requirements. We will determine or approve the location of future Franchised Locations and any protected territories for those Franchised Locations based on our then-current system standards for sites and protected territories.

As a result of our reserved rights described below, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

During the term of the Area Development Agreement, if you comply with the obligations under the Area Development Agreement and all of the Franchise Agreements between you (and your affiliates) and us, we will not establish or operate, or license anyone other than you to establish or operate, a Code Ninjas Center or Studio in the Development Area. Except as described below, there are no circumstances under which the Area Development Agreement may be altered prior to expiration or termination of the Area Development Agreement. Your territorial protection is not dependent upon achievement of a certain sales volume, or other factors, other than compliance with the Area Development Agreement and Development Schedule.

If you do not comply with a deadline under the Development Schedule, you will be in default under the Area Development Agreement. Accordingly, we may terminate your Area Development Agreement, or we may elect to take one or more of the following actions: (a) eliminate the territorial protection or reduce the scope of protections granted to you within the Development Area; (b) reduce the scope of the Development Area; (c) reduce the number of Franchised Locations for you to develop; or (d) retain all Area Development Fees paid to us. If we elect to take one or more of these actions, we will provide written notice of such action, and the Area Development Agreement will be amended to reflect the changes.

Our Reserved Rights under the Franchise Agreement and Area Development Agreement

Under both the Franchise Agreement and Area Development Agreement, we and our affiliates retain all the rights that we do not specifically grant to you. Among the rights that we retain are the following (the following list is only for purposes of illustration and is not meant to limit our rights):

(1) We may own, acquire, establish, and/or operate and license others to establish and operate businesses, including Code Ninjas Centers and Studios operating under the Proprietary Marks and the System selling the products and services at any location outside your Territory or Development Area regardless of their proximity to, or potential impact on, your Territory or Development Area or Franchised Locations.

(2) We may own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar to or different from the Franchised Location, at any location within or outside the Territory or Development Area, notwithstanding their proximity to the Territory or Development Area or the Approved Location or their actual or threatened impact on sales of the Franchised Location.

(3) We may sell and distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers to third parties or through mail order, toll free numbers, the Internet, mobile or temporary locations, or other alternative channels of distribution, including those products bearing our Proprietary Marks, provided that distribution within the Territory or Development Area shall not be from a Code Ninjas Center or Studio established under the System that is operated from within the Territory or Development Area.

(4) We may produce, offer and sell, and grant others the right to produce, offer and sell, certain products offered at Code Ninjas Centers and Studios and any other goods displaying the Proprietary Marks or other trademarks through alternative distribution channels.

(5) We may develop and license the use of, at any location, any marks, other than the Proprietary Marks, in connection with the operation of a program or system which offers or distributes products or services which are the same or similar to those offered under the System on any terms and conditions which we deem appropriate.

(6) We may be acquired (regardless of the form of transaction) by a business identical or similar to the System.

(7) We may engage in any other business activity not expressly prohibited by the Franchise Agreement or Area Development Agreement, as applicable.

Additionally, during the term of your Area Development and Franchise Agreement, we may (i) acquire one or more retail businesses that are the same as, or similar to, Code Ninjas Centers or Studios then operating under the System (each an “**Acquired Business**”), which may be at any location within or outside the Territory or Development Area, notwithstanding their proximity to the Territory or Development Area or the Approved Location or their actual or threatened impact on sales of the Franchised Location, and we may (ii) operate and/or license others to operate any Acquired Business under its existing name or as a Code Ninjas Center or Studio under the System at any location. If we operate and/or license others to operate any Acquired Business, then the following terms apply:

(1) If you are in compliance with your agreements with us, then for any Acquired Business that is both located within your Territory or Development Area and is purchased by us for operation by us or our affiliates, we may, in our discretion, offer you the option to purchase and operate, as a Code Ninjas Center or Studio, those Acquired Business(es). If we choose to offer you this option, we will provide you with written notice of our purchase of such Acquired Business(es), the terms and conditions applicable to your option to purchase such Acquired Business(es), and such other information that we deem necessary to include in the notice. The terms and conditions offered to you will include, without limitation, the following: (a) the purchase price for such Acquired Business will be based on our purchase price for such Acquired Business, and if the Acquired Business was part of an Acquired System (as defined below), then the purchase price will be determined using a ratio equal to the sales of such Acquired Business during the prior year, as compared to the total sales during such year of all Acquired Businesses that we purchased in the same transaction; and (b) the requirement that you enter into our then-current form of System franchise agreement for the Acquired Business, provided that you will not be required to pay an initial franchise fee for an Acquired Business. If you do not elect to purchase, or fail to complete the purchase of, an Acquired Business, we shall have the right to operate the Acquired Business ourselves, or through its affiliates or third party licensees or franchisees, under any trade name or trademarks including the Proprietary Marks.

(2) If an Acquired Business is part of a system of retail businesses that we acquire (an “Acquired System”), we may also license to a licensee or franchisee under the Acquired System additional units of the Acquired System that the licensee or franchisee has the right to develop and operate within the Territory or Development Area.

ITEM 13 **TRADEMARKS**

The Franchise Agreement will grant you rights to use the Proprietary Marks in connection with your Franchised Location. We have registered the following Proprietary Marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

Proprietary Mark	Registration Number	Registration Date
 CODENINJAS (Class 41)	5303101	October 3, 2017
CODE NINJAS (Class 41)	5325349	October 31, 2017
DOJO2GO	5667507	January 29, 2019
CODE SENSEI	5652615	January 15, 2019
KIDS HAVE FUN, PARENTS SEE RESULTS	5431921	January 9, 2018

All required affidavits for the Proprietary Marks have been filed. There are no currently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the Trademark Administrator of this state or any court. There is no pending infringement, opposition or cancellation proceeding. There is no pending material litigation involving the trademarks which may be relevant to their use in this state or in any other state.

We do not know of any infringing uses that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third party claim, suit or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with the Franchise

Agreement, you must bear the cost of defense, including the cost of any judgment or settlement. If there is any litigation due to your use of the Proprietary Marks, you must execute all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action. Unless litigation results from your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs, except that you will bear the salary costs of your employees.

There are no agreements currently in effect which limit our rights to use or license the use of any Proprietary Mark. We reserve the right to substitute different proprietary marks for use in identifying the System and businesses operating under it if we, in our sole discretion, determine that substitution of different marks as Proprietary Marks will be beneficial to the System. You must promptly implement any substitution of new Proprietary Marks.

If it becomes advisable at any time in our sole discretion for us and/or you to modify, replace, substitute, or discontinue the use of any Proprietary Marks and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable period of time after receiving notice. We will not be obligated to reimburse you for any cost attributable to or associated with any modified or discontinued Proprietary Marks or for any expenditures you make to promote a modified or substitute trademark or service mark.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents are material to the operation of your Franchised Location.

Copyrights

We claim copyright protection covering various materials used in our business and the development and operation of Code Ninjas Centers and Studios, including the Manuals, advertising and promotional materials, our website, and similar materials. We have not registered these materials with the United States Registrar of Copyrights, but we are not required to do so.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. You do not have any rights to compensation because of any discontinuance or modification.

Any and all copyrights and all rights, title, and interest in advertising and promotional materials that you develop or prepare (or that are prepared by someone on your behalf) or that bear any Proprietary Marks will belong to us. You must sign any documents we reasonably deem necessary to evidence our right, title, and interest in and to any advertising and promotional materials. We will have the right to use these materials and to provide them to other franchisees of the System, without compensation to you, regardless of how the materials were developed. Additionally, we may from time to time require that you sign a license agreement for the use of proprietary materials that we provide to you in an electronic format.

Confidential Information

Except for the purpose of operating the Franchised Location under a Franchise Agreement and developing Franchised Locations under an Area Development Agreement, you may never (during Franchise Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the development and operation of the Franchised Location that may be communicated to you or that you may learn by virtue of your operation of a Code Ninjas Center or Studio. You may divulge confidential information only to those of your employees who must have access to it in order to operate the Franchised Location. Any information, knowledge, know-how, and techniques that we designate as confidential will be deemed "confidential" for purposes of the Franchise Agreement and the Area Development Agreement. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, we may require you, your Designated Principal, other owners, managers, and your employees with access to confidential information to sign confidentiality and non-competition agreements or obligate themselves to such covenants. Each of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Franchised Location. These agreements must be in a form that we find satisfactory, and in some cases include, among other things, specific identification of our company as a third-party beneficiary with the independent right to enforce the covenants. Our current forms of these agreements are included as Exhibit E to the Franchise Agreement (which is included in this Disclosure Document, see Item 22).

Confidential Manuals

In order to protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must conduct your business in accordance with the Manuals. We will lend you one set of our Manuals for the term of the Franchise Agreement, which you must return to us at the expiration or termination of the Franchise Agreement. The Manuals may consist of multiple volumes of printed text, computer disks, other electronic stored data, videotapes, and periodic updates or bulletins that we issue to franchisees and others operating under the System. You must treat the Manuals, all supplements and revisions to the Manuals, including bulletins and the information contained in them, as confidential, and must use best efforts to maintain this information (whether in written or electronic format) as secret

and confidential. You must not reproduce these materials (except for the parts of the Manuals that are meant for you to copy, which we will clearly mark as such) or otherwise make them available to any unauthorized person. The Manuals will remain our sole property. You must keep them in a secure place. If you operate a Code Ninjas Center, you must keep them on the Franchised Location premises.

We may revise the contents of the Manuals, and you must comply with each new or changed standard. We will notify you in writing of revisions to the Manuals. You must ensure that the Manuals are kept current at all times. If there is a dispute as to the contents of the Manuals, the terms of the master copies that we maintain at our home office will control.

You must disclose to us all ideas, concepts, methods, techniques and products conceived of or developed by you, your affiliates, owners, or employees during the term of the Franchise Agreement relating to the development and/or operation of your Franchised Location. Under the Franchise Agreement you grant to us a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, and techniques in all Code Ninjas Centers and Studios in the System.

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

If the Designated Principal or your Director fails to satisfactorily complete our initial training program or if your Director is no longer an employee, you must designate a replacement Designated Principal or Director as soon as is practical, who is acceptable to us and who satisfactorily completes our training program. We may require you to reimburse our training costs (see Items 6 and 11).

Under the Franchise Agreement, you (or, if you are an entity, your Designated Principal) must be involved in the general oversight and management of the operations of the Franchised Location. Additionally, you must designate either yourself, your Designated Principal (if you are an entity) or a Director (subject to our reasonable approval) to assume the full-time responsibility for daily supervision and operation of the Franchised Location. Your Designated Principal must own at least a ten percent (10%) beneficial interest in you, if you are an entity. We will have the right to rely upon the Designated Principal and/or your Director to have the responsibility and decision-making authority regarding your business and operations.

Under the Area Development Agreement, you (or, if you are an entity, your Designated Principal) must be involved in the general oversight and management of the development of the Franchised Locations, as well as the operations of the Franchised Locations that are developed under the Area Development Agreement. We will have the right to rely upon the Designated Principal to have the responsibility and decision-making authority regarding your business and operations.

Under both the Franchise Agreement and the Area Development Agreement, if you are other than an individual, we require that all of your owners personally sign a guaranty, indemnification and acknowledgement (in the forms included as Exhibit C to the Franchise

Agreement and Exhibit C to the Area Development Agreement), guarantying and acknowledging the legal entity's covenants and obligations under that agreement. Additionally, your employees with access to confidential information or who have received training may be required to sign agreements to maintain confidentiality under the System (our current form for this agreement is included in Exhibit E to the Franchise Agreement). See Items 14 and 17 for a further description of these obligations.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell and provide only products and services that we have approved in writing and which conform to our standards and specifications (see also Item 8 above). We have the right, without limit, to change the types of authorized products and services. You must carry and sell all products (and offer and sell all services) that we approve and specify to be offered by all Code Ninjas Centers and/or Studios, unless we otherwise provide our written approval.

You may only sell to retail customers at or from the Approved Location. If you wish to engage in off-premises activities, you may apply in writing for our approval to do so, provided that if you choose and we approve you to offer the Dojo2Go mobile trailer, you may sell services at events and locations in your Territory as described in Item 1 and Item 12. If we provide our approval, you may engage in these activities provided that you comply with the programs, policies terms, and conditions that we may establish from time to time. Additionally, you may not engage in any other type of sale, offer to sell, or distribution of products or services, except with our prior written consent. For example, you may not sell products by catalog, mailing, toll free numbers, or by use of the Internet.

You must not use the Franchised Location for any other business or operation or for any other purpose or activity at any time without first obtaining our prior written consent. You must keep the Franchised Location open and in normal operation for the minimum hours and days as we may specify. You must operate the Franchised Location in strict conformity with the methods, standards, and specifications as we prescribe in the Manuals or in writing.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Under the Franchise Agreement

Provision	Section(s) in Franchise Agreement	Summary
(a) Length of the franchise term	2.1	The Franchise Agreement will expire five (5) years from its effective date.
(b) Renewal or extension of the term	2.2	You may apply to operate the Franchised Location for three (3) additional renewal terms of five (5) years each, if the conditions below are met prior to renewal.
(c) Requirements for franchisee to renew or extend	2.2	You must give us written notice of your election to renew at least six (6) months but not more than twelve (12) months prior to the end of the term of the Franchise Agreement. Additional conditions are satisfaction of monetary obligations, compliance with Franchise Agreement and any other agreement between you and us or our affiliates, execution of a mutual release in a form prescribed by us, of any and all claims against us and our affiliates, and their related parties, execution of a new Franchise Agreement on our then-current form of agreement, payment of a renewal fee, and others; see Sections 2.2.1 - 2.2.10 in Franchise Agreement. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you will be asked to sign a new Franchise Agreement that contains terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements and different territorial rights. These terms are subject to state law.
(d) Termination by franchisee	Not Applicable	You may terminate the Franchise Agreement under any grounds permitted by law.
(e) Termination by franchisor without cause	Not Applicable	
(f) Termination by franchisor with cause	16	We may terminate the Franchise Agreement under certain circumstances as set out below, including default under the Franchise Agreement, bankruptcy,

Provision	Section(s) in Franchise Agreement	Summary
		abandonment, and other grounds; see Section 16 of the Franchise Agreement. We may also terminate the Franchise Agreement if you are in default of any other agreement you have with us and our affiliates, including an Area Development Agreement. Under the U.S. Bankruptcy Code, we may not be able to terminate the agreement merely because of a bankruptcy filing.
(g) "Cause" defined – defaults which can be cured	16.4 and 16.5	Upon the occurrence of any of the following events of default, we may, at our option, terminate the Franchise Agreement by giving written notice of termination stating the nature of the default to you at least seven (7) days prior to the effective date of termination, and if you do not cure such default within the specified time (or such longer period as applicable law may require) the Franchise Agreement will terminate without further notice to you, effective immediately upon the expiration of the seven (7) day period (or such longer period as applicable law may require): If you fail, refuse, or neglect promptly to pay any monies owing to us or our affiliates when due; If you refuse to permit us to inspect the Premises, or the books, records, or accounts of your upon demand; If you fail to operate the Code Ninjas Center during such days and hours specified in the Manuals; or If you fail to afford our unimpeded access to your Computer System and Required Software in violation of the Franchise Agreement. Upon any other default which is not non-curable, we may at our option terminate the Franchise Agreement by giving written notice of termination stating the nature of the default to you at least thirty (30) days prior to the effective date of termination, and if you do not cure such default within the specified time (or such longer period as applicable

Provision	Section(s) in Franchise Agreement	Summary
		law may require) the Franchise Agreement will terminate without further notice to you, effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).
(h) "Cause" defined – non-curable defaults	16.2 and 16.3	You will be in default under the Franchise Agreement, and all rights granted to you therein will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer; if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Location will be sold after levy thereupon by any sheriff, police officer, or bailiff. You will be deemed to be in default and we may, at our option, terminate the Franchise Agreement and all rights granted thereunder, without affording you any opportunity to cure the default, effective immediately by giving written notice to you (in the manner

Provision	Section(s) in Franchise Agreement	Summary
		provided under Section 24 of the Franchise Agreement), upon the occurrence of any of the following events: If you fail to complete all pre-opening obligations and to open the Franchised Location within the required time limits; If you or any of your owners are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, or the goodwill associated therewith; If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Location; If your action or inaction, at any time, results in the loss of the right to possession of, or access to, the Franchised Location, or forfeiture of the right to do or transact business in the jurisdiction where the Franchised Location is located; If you or any owner purports to transfer any rights or obligations under the Franchise Agreement or any interest to any third party in a manner that is contrary to the terms of the Franchise Agreement; If you knowingly maintain false books or records, or knowingly submit any false statements or reports to us; If, contrary to the terms of the Franchise Agreement, you disclose or divulge the contents of the Manuals or other confidential information provided to you by us; If you fail to comply with the covenants not to compete; If you misuse or make any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or if you otherwise operate the Franchised Location in a manner that materially impair the reputation or goodwill associated with the System, Proprietary Marks, or our rights therein; If you, after curing a default pursuant to the Franchise Agreement,

Provision	Section(s) in Franchise Agreement	Summary
		commit the same default again, whether or not cured after notice; If you commit three (3) or more defaults under the Franchise Agreement in any twelve (12) month period, whether or not each such default has been cured after notice; If you at any time cease to operate for twenty-four (24) hours, or otherwise abandon the Franchised Location, unless such closure is approved in writing by us, or excused by force majeure; or If you breach any material provision of the Franchise Agreement which breach is not susceptible to cure. We may also terminate the Franchise Agreement if you are in default of any other agreement you have with us and our affiliates, including an Area Development Agreement.
(i) Franchisee's obligations on termination/non-renewal	17 and 8.30	Upon termination or expiration of the Franchise Agreement, all rights granted thereunder to you will terminate, and: You will immediately cease to operate the Franchised Location, and will not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of us in connection with the promotion or operation of any other business; You will immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System, the Proprietary Marks and all other distinctive forms, slogans, signs, symbols, and devices associated with the System; You will take such action as may be necessary to cancel any business name registration or equivalent registration obtained by you which contains any Proprietary Mark, and you will furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of the Franchise

Provision	Section(s) in Franchise Agreement	Summary
		Agreement; You will, at our option, assign to us any interest which you have in any lease, sublease, or other agreement for your former Franchised Location; In the event we do not elect to exercise our option to acquire the lease or sublease for, or other rights to, your former Franchised Location, you must make such modifications or alterations to your former Franchised Location immediately upon termination or expiration of the Franchise Agreement as may be necessary to distinguish the appearance of your former Franchised Location from that of a Code Ninjas Center or Studio; You will cease use of all telephone numbers and any domain names, websites, e-mail addresses, and any other identifiers, whether or not authorized by us, used by you while operating the Franchised Location, and will promptly execute such documents or take such steps necessary to remove reference to the Franchised Location from all trade or business telephone directories, including "yellow" and "white" pages, or at Franchisor's request transfer same to us; You will promptly pay all sums owing to us and our affiliates; You will refrain from disparaging us and the System, You must, at your own expense, immediately deliver to us the Manuals and all other records, correspondence, and instructions containing confidential information relating to the operation of the Franchised Location; We have the option, to be exercised within thirty (30) days after termination, to purchase from you any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory of your related to the operation of the Franchised Location, at the lesser of your cost or fair market value. Additionally, upon termination of the Franchise Agreement by

Provision	Section(s) in Franchise Agreement	Summary
		reason of a default by you, you agree to pay to us within ten (10) days after the effective date of termination, in addition to the amounts owed thereunder; liquidated damages equal to \$500 per month remaining in the Franchise Agreement had it not been terminated.
(j) Assignment of contract by franchisor	15.1	There are no limits on our right to assign the Franchise Agreement.
(k) "Transfer" by franchisee defined;	15.2 and Exhibit J	You will not, without our prior written consent, transfer, pledge or otherwise encumber: (a) your rights and/or obligations under the Franchise Agreement; or (b) any material asset of you or the Franchised Location. If you are a corporation, you must not, without our prior written consent, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities must become an owner under the Franchise Agreement, if we approve. If you are a partnership, limited partnership, or limited liability company, your owners may not, without our prior written consent, admit additional owners, remove owners, or otherwise materially alter the powers of any owner. An owner may not, without our prior written consent, transfer, pledge or otherwise encumber any ownership interest of the owner in you. If you are an existing franchisee that received a waiver of the Franchise Fee for one (1) Code Ninjas Studio, you may not transfer your rights and/or obligations under the Franchise Agreement for that Studio during the eighteen (18) month period after the Studio opens.
(l) Franchisor approval of transfer by franchisee	15.2	We have the right to approve transfers and can apply standards to determine (for example) whether the proposed transferee meets our requirements for a new franchisee.

Provision	Section(s) in Franchise Agreement	Summary
(m) Conditions for franchisor approval of transfer	15.3 and 15.4	We will not unreasonably withhold any consent. However, if the proposed transfer alone or together with other previous, simultaneous, or proposed transfers would: (a) have the effect of changing control of the franchisee entity; (b) result in the assignment of your rights and obligations under the Franchise Agreement; or (c) transfer the ownership interest in all or substantially all of the assets of the Franchised Location, we have the right to require any or all of the following as conditions of our approval: All of your monetary obligations and all other outstanding obligations to us, its affiliates, and the approved suppliers of the System have been satisfied in full, and the Franchised Location must be open and operating for business; You may not be in default under any provision of this Franchise Agreement, any other agreement between you and us, or our affiliate, any approved supplier of the System, or the lessor (or sublessor or party otherwise controlling) of the Premises; Each transferor (and, if the transferor is other than an individual, the transferor and such owners of beneficial interest in the transferor as we may request) must have executed a release in a form satisfactory to us of any and all claims against us and our affiliates and their respective officers, directors, agents, and employees, except those claims and causes of action which cannot be released at law; The transferee of an owner must be designated as an owner and each transferee who is designated an owner must enter into a written agreement, in a form satisfactory to us, agreeing to be bound as an owner under the terms of the Franchise Agreement and guaranteeing the terms of the Franchise Agreement; The transferee must

Provision	Section(s) in Franchise Agreement	Summary
		demonstrate to our satisfaction that the terms of the proposed transfer do not place an unreasonable financial or operational burden on the transferee, and that the transferee (or, if the transferee is other than an individual, such owners of beneficial interest in the transferee as we may request) meets our then-current application qualifications; At our option, the transferee (and, if the transferee is not an individual, such Principals of the transferee as we may request) must execute the form of franchise agreement then being offered to new System franchisees, and such other ancillary agreements required by us for the business franchised, which agreements will supersede the Franchise Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of your Franchise Agreement including, without limitation, higher and/or additional fees; If so requested by us, the transferee, at its expense, must upgrade the Franchised Location, and other equipment to conform to the then current standards and specifications of new Code Ninjas Locations then being established in the System, and must complete the upgrading and other requirements within the time specified by us. The transferor remains liable for all of the obligations to us in connection with the Franchised Location that arose prior to the effective date of the transfer and must execute any and all instruments reasonably requested by us to evidence such liability; The transferee (and, if the transferee is not an individual, such owners of the transferee as we may request) and the transferee's manager (if applicable) must, at the transferee's expense, successfully attend and successfully complete any training programs then in effect for operators and

Provision	Section(s) in Franchise Agreement	Summary
		managers upon such terms and conditions as we may reasonably require; You must pay a transfer fee to compensate us for our expenses incurred in connection with the transfer. Subject to state law.
(n) Franchisor's right of first refusal to acquire franchisee's business	15.6	If you or any owner desires to accept any <i>bona fide</i> offer from a third party to purchase you, any material asset of you, or any direct or indirect interest in you, you or such owner must promptly notify us, and must provide such information and documentation relating to the offer as we may require. We will have the right and option, exercisable within thirty (30) days after receipt of the written transfer request and the required information and documentation related to the offer (including any information that we may reasonably request to supplement or clarify information provided to us with the written transfer request), to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party.
(o) Franchisor's option to purchase franchisee's business	17.9	Upon expiration or termination of the Franchise Agreement, you must offer us the right to purchase assets of the Franchised Location. We may acquire the assets of your Franchised Location by giving you notice within thirty (30) days of termination/expiration, at fair market value.
(p) Death or disability of franchisee	15.7 and 15.8	Your estate must transfer your interest in the Franchised Location to a third party we have approved, within a year after death or six (6) months after the onset of disability.
(q) Non-competition covenants during the term of the franchise	18.2 and 8.30	During the term of the Franchise Agreement, except as otherwise approved in writing by us, you may not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity: Divert or attempt to divert any present or

Provision	Section(s) in Franchise Agreement	Summary
		prospective business or customer of any Code Ninjas Center or Studio to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business. A “Competitive Business” shall be considered (i) any business offering educational opportunities for children; and/or (ii) any business that is the same as or similar to a Code Ninjas Center or Studio. Includes prohibition on disparaging us or the System.
(r) Non-competition covenants after the franchise is terminated or expires	18.3 and 8.30	Includes a two (2) year prohibition similar to “q” (above), where you agree you will not either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located (i) at the Approved Location for the Franchised Location, (ii) within a radius of twenty (20) miles of the Franchised Location, or (iii) within a radius of twenty (20) miles of any other Code Ninjas Center or Studio in operation or under construction on the effective date of termination or expiration. You also are prohibited from subleasing, assigning, or selling your interest in any lease, sublease, or ownership of the former Franchised Location’s location or assets to a third party for the operation of a Competitive Business, or otherwise arrange or assist in arranging for the

Provision	Section(s) in Franchise Agreement	Summary
		operation by a third party of a Competitive Business. Includes prohibition on disparaging us or the System.
(s) Modification of the agreement	25	Except for those permitted to be made unilaterally by us as set out in the Franchise Agreement, no amendment, change, or variance from the Franchise Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.
(t) Integration/merger clause	25	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. No claim made in any franchise agreement is intended to disclaim the representations made in this Franchise Disclosure Document.
(u) Dispute resolution by arbitration or mediation	27.2 and 27.3	Except for certain claims, we and you must first mediate, and if unsuccessful arbitrate, all disputes at a location within five (5) miles of our then current principal place of business. (Currently in Pearland, Texas.) (Subject to applicable state law.)
(v) Choice of forum	27.4	All litigation proceedings must be conducted in (or closest to) the county of our then current principal place of business. (Currently in Pearland, Texas.) (Subject to applicable state law.)
(w) Choice of law	27.1	Texas (subject to applicable state law).

Under the Area Development Agreement

Provision	Section(s) in Area Development Agreement	Summary
(a) Length of the franchise term	2 and Exhibit A	Unless sooner terminated in accordance with the provisions of the Area Development Agreement, the Area Development

Provision	Section(s) in Area Development Agreement	Summary
		Agreement will commence on the date of the Area Development Agreement and will expire on the earlier of (i) the date you execute the final Franchise Agreement in accordance with the required minimum cumulative number of Franchise Agreements to be executed for Franchised Locations to be located in the Development Area as set forth in the Development Schedule; or (ii) the final date set forth in the Development Schedule.
(b) Renewal or extension of the term	Not Applicable	
(c) Requirements for area developer to renew or extend	Not Applicable	
(d) Termination by area developer	Not Applicable	You may terminate the Area Development Agreement under any grounds permitted by law.
(e) Termination by franchisor without cause	Not Applicable	
(f) Termination by franchisor with cause	6	We may terminate the Area Development Agreement under certain circumstances as set out below and at law. We may also terminate the Area Development Agreement if you are in default of any other agreement you have with us and our affiliates, including a Franchise Agreement.
(g) "Cause" defined – curable defaults	6.3 and 6.4	Your failure to meet a deadline under the Development Schedule will constitute a default under the Area Development Agreement. If you fail to comply with the Development Schedule, we, in our discretion, may terminate the Area Development Agreement. Further, if you fail to comply with any material term and condition of the Area Development Agreement, such action shall constitute a default, allowing us to terminate

Provision	Section(s) in Area Development Agreement	Summary
		the Area Development Agreement by giving written notice of termination stating the nature of such default to you at least thirty (30) days prior to the effective date of termination; but you may avoid termination by curing the default to our satisfaction, and by promptly providing proof thereof to us within the thirty (30) day period. Any default by you under the Franchise Agreement may be treated as a default under any other agreement between us (or any affiliate of ours) and you (or any affiliate of yours). Any default by you under any other agreement between us (or any affiliate of ours) and you (or any affiliate of yours) may be treated as a default under the Franchise Agreement.
(h) "Cause" defined – non-curable defaults	6.1 and 6.2	You will be deemed to be in default under the Area Development Agreement, and all rights granted thereunder will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of yours or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if final judgment remains unsatisfied or of record for thirty (30) days or longer; if you are dissolved; if execution is levied against any asset of you or your Franchised Locations; if suit to foreclose any lien or mortgage against any asset of you or your Franchised Locations is instituted.

Provision	Section(s) in Area Development Agreement	Summary
		against you and not dismissed within thirty (30) days; or if any asset of yours or any of your Franchised Location is be sold after levy thereupon by any sheriff, police officer, or bailiff. You will be deemed to be in default and we may, at our option, terminate the Area Development Agreement and all rights granted thereunder, without affording you any opportunity to cure the default, effective immediately upon the provision of notice to you, upon the occurrence of any of the following events of default: If the Franchise Agreement for any Franchised Location operated by you (or an entity affiliated with you) is terminated; if you or any owner is convicted of a felony, a crime involving moral turpitude, or any other crime or action that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein; if you or any owner purports to transfer any rights or obligations under the Area Development Agreement or any of the assets of yours in a manner that is contrary to the terms of the Area Development Agreement; if any Franchised Location operated by you (or an entity affiliated with you) at any time ceases to operate for twenty-four (24) hours, or is otherwise abandoned, unless such closure is approved in writing by us, or excused by <i>force majeure</i>; if you misuse or make any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System; or if you breach any material provision of the Area Development Agreement, which breach is not susceptible to cure. We may also terminate the Area Development Agreement if you are in default of any other agreement you have with us and our affiliates, including a

Provision	Section(s) in Area Development Agreement	Summary
		Franchise Agreement.
(i) Area developer's obligations on termination/non-renewal	6.6	Upon termination or expiration of the Area Development Agreement, you will have no right to establish or operate any Code Ninjas Center or Studio for which a Franchise Agreement has not been executed by us at the time of termination or expiration. Our remedies for your breach of the Area Development Agreement include, without limitation, your loss of your right to develop additional Franchised Locations under the Area Development Agreement, and our retention of all area development fees paid or owed by you. In addition, in the event the Area Development Agreement is terminated due to a breach by you, you will be required to pay us damages for breach of that agreement.
(j) Assignment of contract by franchisor	7.1	There are no limits on our right to assign the Area Development Agreement.
(k) "Transfer" by area developer – defined	7.2	You understand and acknowledge that we have granted the rights hereunder in reliance on the business skill, financial capacity, and your personal character or your owners if you are not an individual. Accordingly, neither you nor any owners shall sell, assign, transfer, pledge or otherwise encumber any direct or indirect interest in you (including any direct or indirect interest in a corporate or partnership Area Developer), your rights or obligations under the Area Development Agreement, or any material asset of your business, without our prior written consent, which shall be subject to all of the conditions and requirements for transfers set forth in the Franchise Agreement executed simultaneously with the Area Development Agreement that we deem applicable to a proposed transfer under the Area Development Agreement.

Provision	Section(s) in Area Development Agreement	Summary
(l) Franchisor approval of transfer by area developer	7.2	We have the right to approve transfers.
(m) Conditions for franchisor's approval of transfer	7.2 and 7.3	Unless waived, a transfer of the Area Development Agreement is conditioned on, among other factors, the requirement that the proposed transfer of the Area Development Agreement be made in conjunction with a simultaneous transfer of all existing Franchise Agreements to the same approved transferee. Additionally, your first Code Ninjas Center or Studio under your first Franchise Agreement must be open and operating.
(n) Franchisor's right of first refusal to acquire area developer's business	Not Applicable	
(o) Franchisor's option to purchase area developer's business	Not Applicable	
(p) Death or disability of area developer	Section 5.2	In the event your Designated Principal dies or becomes incapacitated, you must designate a new Designated Principal that owns at least a ten percent (10%) ownership interest in you, subject to our approval.
(q) Non-competition covenants during the term of the franchise	8.2	During the term of the Area Development Agreement, except as otherwise approved in writing by us, you may not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity: Divert or attempt to divert any present or prospective business or customer of any Code Ninjas Center or Studio to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; employ or seek to employ any person who is at that time employed by us or by any other

Provision	Section(s) in Area Development Agreement	Summary
		Code Ninjas franchisee or area developer, or otherwise encourage such person to leave his or her employment; or own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business.
(r) Non-competition covenants after the franchise is terminated or expires	8.3	Includes a two (2) year prohibition similar to "q" (above), where you agree you will not either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located (i) within the Development Area, or (ii) within a radius of twenty (20) miles of any other Code Ninjas Center or Studio in operation or under construction on the effective date of termination or expiration.
(s) Modification of the agreement	15	Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from the Area Development Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.
(t) Integration/merger clause	15	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Area Development Agreement may not be enforceable. No claim made in any franchise agreement is intended to disclaim the representations made in this Franchise Disclosure Document.
(u) Dispute resolution by arbitration or mediation	16.2 and 16.3	Except for certain claims, we and you must first mediate, and if unsuccessful arbitrate, all disputes at a location within five (5) miles of our then current principal place of

Provision	Section(s) in Area Development Agreement	Summary
		business. (Currently in Pearland, Texas.). (Subject to applicable state law.)
(v) Choice of forum	16.4	All litigation proceedings must be conducted in (or closest to) the county of our then current principal place of business. (Currently in Pearland, Texas.) (Subject to applicable state law.)
(w) Choice of law	16.1	Texas (subject to applicable state law).

The provision of the Franchise Agreement or Area Development Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

See Exhibit B, the State Specific Addendum, for special state disclosures.

ITEM 18 **PUBLIC FIGURES**

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

ITEM 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Marty Flanagan, Code Ninjas, LLC, 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, (855) 446-4652, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2017, 2018, and 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	0	2	+2
	2018	2	72	+70
	2019	72	194	+122
Company-Owned or Affiliate-Owned	2017	1	1	0
	2018	1	1	0
	2019	1	2	+1
Total Outlets	2017	1	3	+2
	2018	3	73	+70
	2019	73	196	+123

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2017, 2018, and 2019

State	Year	Number of Transfers
AZ	2017	0
	2018	0
	2019	2
IL	2017	0
	2018	0
	2019	1
LA	2017	0
	2018	0
	2019	1
NE	2017	0
	2018	0
	2019	1
TX	2017	0
	2018	0
	2019	1
VA	2017	0
	2018	0
	2019	1
TOTAL	2017	0
	2018	0
	2019	7

Table 3
Status of Franchised Outlets
For years 2017, 2018, and 2019

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
AR	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
AZ	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	4	0	0	0	0	5
CA	2017	0	0	0	0	0	0	0
	2018	0	3	0	0	0	0	3
	2019	3	20	0	0	0	0	23
CO	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	4	0	0	0	0	6
CT	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	4	0	0	0	0	5
FL	2017	0	0	0	0	0	0	0
	2018	0	5	0	0	0	0	5
	2019	5	6	0	0	0	0	11
GA	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	7	0	0	0	0	8
IA	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
ID	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
IL	2017	0	0	0	0	0	0	0
	2018	0	5	0	0	0	0	5
	2019	5	11	0	0	0	0	16

IN	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
KS	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	1	0	0	0	0	3
LA	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
MA	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	5	0	0	0	0	6
MD	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	1	0	0	0	0	3
MN	2017	0	0	0	0	0	0	0
	2018	0	4	0	0	0	0	4
	2019	4	2	0	0	0	0	6
MO	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	3	0	0	0	0	4
NC	2017	0	0	0	0	0	0	0
	2018	0	5	0	0	0	0	5
	2019	5	0	0	0	0	0	5
ND	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
NE	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	0	0	0	0	0	2
NJ	2017	0	0	0	0	0	0	0
	2018	0	5	0	0	0	0	5
	2019	5	7	0	0	0	0	12

NV	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
NY	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	3	0	0	0	0	4
OH	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	1	0	0	0	0	3
OK	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
OR	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
PA	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	4	0	0	0	0	5
SC	2017	0	1	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
SD	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
TN	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
TX	2017	0	0	0	0	0	0	0
	2018	0	18	0	0	0	0	18
	2019	18	18	0	0	1	0	35
UT	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	2	0	0	0	0	3

VA	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	7	0	0	0	0	9
WA	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
WI	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
WY	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Totals	2017	0	2	0	0	0	0	2
	2018	2	70	0	0	0	0	72
	2019	72	123	0	0	1	0	194

Table No. 4
Status of Company-Owned or Affiliate-Owned Outlets
For years 2017, 2018, and 2019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Texas	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	1	0	0	2
Totals	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	1	0	0	2

Table No. 5
Projected Openings as of December 31, 2019

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned or Affiliate-Owned Outlets in the Next Fiscal Year
Alabama	1	1-2	0
Alaska	0	0	0
Arizona	5	3-4	0
Arkansas	1	0-1	0
California	21	4-5	0
Colorado	1	1-2	0
Connecticut	1	1-2	0
Delaware	2	1-2	0
Florida	6	2-3	0
Georgia	1	1-2	0
Idaho	0	0	0
Illinois	4	3-5	0
Indiana	0	1-2	0
Iowa	0	1-2	0
Kansas	0	1-2	0
Kentucky	0	1-2	0
Louisiana	2	1-2	0
Maryland	2	4-5	0
Massachusetts	2	1-2	0
Michigan	1	1-2	0
Minnesota	1	1-2	0
Mississippi	0	1-2	0
Missouri	1	1-2	0
Montana	0	1-2	0
Nebraska	1	1-2	0
Nevada	0	1-2	0
New Hampshire	0	1-2	0

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned or Affiliate-Owned Outlets in the Next Fiscal Year
New Jersey	10	3-4	0
New Mexico	0	1-2	0
New York	2	1-2	0
North Carolina	3	3-4	0
North Dakota	0	1-2	0
Ohio	1	1-2	0
Oklahoma	0	1-2	0
Oregon	1	1-2	0
Pennsylvania	4	1-2	0
Rhode Island	0	1-2	0
South Carolina	2	1-2	0
South Dakota	0	1-2	0
Tennessee	1	1-2	0
Texas	9	3-4	0
Utah	2	1-2	0
Vermont	0	1-2	0
Virginia	2	1-2	0
Washington	4	1-2	0
West Virginia	0	1-2	0
Wisconsin	2	1-2	0
Wyoming	1	1-2	0
Total	97	62-109	0

All numbers are as of December 31st for each year. As of the date of this Disclosure Document, none of these locations are Code Ninjas Studios.

A list of the names of all franchisees and area developers and the addresses and telephone numbers of their franchises will be provided in Exhibit F to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or area developer who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do

business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document will be listed on Exhibit G to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

As of the date of this Disclosure Document, there is one trademark-specific franchisee organization associated with the Code Ninjas brand, as follows:

IACNF, an independent association of Code Ninjas franchisees
Board of Directors
American Association of Franchisees & Dealers
P.O. Box 10158
Palm Desert, CA 92255-1058
Phone: 619-209-3775
Fax: 866-855-1988
iacnf@aafdchapters.org

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit H are the audited financial statements for fiscal years ending December 31, 2017, December 31, 2018 and December 31, 2019. The auditors that prepared the audited financial statements for the fiscal year December 31, 2019 utilized a retroactive method in determining the revenue recognition under the current standards of ASC 606. Our fiscal year end is December 31st. We are also enclosing our interim balance sheet as of February 29, 2020. THE INTERIM BALANCE SHEET IS PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THE CONTENT OR FORM.

ITEM 22

CONTRACTS

The following contracts are attached to this Disclosure Document:

Exhibit C – Franchise Agreement, including the following agreements:

- Guaranty, Indemnification, and Acknowledgement (as Exhibit C)
- Authorization for Prearranged Payments (as Exhibit D)
- Non-Disclosure Agreement for Employees (as Exhibit E)

- Telephone Number Assignment and Power of Attorney (as Exhibit F)
- Lease Rider (as Exhibit G)
- Franchisee Disclosure Acknowledgment Statement (as Exhibit H)
- Mobile Trailer Addendum (as Exhibit I)

Exhibit D – Area Development Agreement, including the following agreements:

- Guaranty Indemnification and Acknowledgment (as Exhibit C)
- Area Developer Certification (as Exhibit D)

Exhibit E – Non-Use and Non-Disclosure Agreement

Exhibit J – General Release

Exhibit K – FranchiCzar Agreement

Exhibit L – Financing Documents

ITEM 23 **RECEIPT**

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A
STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

CALIFORNIA Department of Business Oversight: 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, CA 94105 (415) 972-8559 Agent: California Commissioner of Business Oversight	CONNECTICUT State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2744 Agent: Commissioner of Securities of the Department of Commerce and Consumer Affairs	ILLINOIS Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Agent: Illinois Attorney General
INDIANA Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681 Agent: Indiana Secretary of State	MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 Agent: Maryland Securities Commissioner

MICHIGAN Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913 (517) 373-7177 Agent: Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909	MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600 Agent: Minnesota Commissioner of Commerce
NEBRASKA Nebraska Department of Banking and Finance P.O. Box 95006 Lincoln, Nebraska 68509-5006	NORTH CAROLINA Department of the Secretary of State PO Box 29622 Raleigh, NC 27626-0622
NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 (212) 416-8236 Phone (212) 416-6042 Fax Agent: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712 Agent: North Dakota Securities Commissioner
OREGON Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387 Agent: Director of Oregon Department of Insurance and Finance	RHODE ISLAND Division of Securities Rhode Island Dept. of Business Regulation John O. Pastore Complex – Bldg. 69 1 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9500 Agent: Director of Rhode Island Department of Business Regulation

SOUTH DAKOTA Division of Securities Department of Labor & Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823 Agent: Director of South Dakota Division Securities	TEXAS Secretary of State P.O. Box 12887 Austin, Texas 78711
VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 Agent: Clerk of the State Corporation Commission State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219	WASHINGTON Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760 Agent: Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501
WISCONSIN Division of Securities Department of Financial Institutions 201 W. Washington Ave., Suite 300 Madison, Wisconsin 53703 (608) 266-1064 Agent: Administrator, Division of Securities Department of Financial Institutions 201 W. Washington Ave., Suite 300 Madison, Wisconsin 53703	

EXHIBIT B
STATE SPECIFIC ADDENDUM

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
CODE NINJAS, LLC**

The following are additional disclosures for the Franchise Disclosure Document of Code Ninjas, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

CALIFORNIA

1. 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.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR AREA DEVELOPMENT AGREEMENT OR FRANCHISE AGREEMENT.

3. OUR WEBSITE, www.codeninjas.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

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

Neither we, our parent, predecessor or affiliates nor any person 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. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

5. Item 6 is amended by adding the following to the Remarks in the "Late Fee and Interest on Overdue Payments" section:

The maximum allowable interest rate in California is 10% per annum.

6. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee and multi-unit developer concerning termination, transfer or nonrenewal of a franchise. If the Area Development Agreement or Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Area Development Agreement and Franchise Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Area Development Agreement and Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Area Development Agreement and Franchise Agreement require application of the laws of the State of Texas. This provision might not be enforceable under California law.

The Area Development Agreement and Franchise Agreement require pre-litigation mediation. The mediation will be conducted at a suitable location chosen by the mediator, which is within a five (5) mile radius of our then-current principal place of business (currently Pearland, Texas). The Area Development Agreement and Franchise Agreement also require that any action you bring be commenced in federal or state courts in the state, and in (or closest to) the county, where Franchisor's headquarters are then located (currently Brazoria County, Texas). Prospective multi-unit developers and franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Area Development Agreement and Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code

Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000–20043).

7. FINANCIAL ASSURANCE. Based on our financial condition, the State of California has required a financial assurance. Therefore, we have posted a surety bond with the State of California guaranteeing our obligations under the Franchise Agreement. You may contact the state agency listed in Exhibit A of the Franchise Disclosure Document for more information.

HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FDD, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FDD CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

INDIANA

1. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

The Indiana Deceptive Franchise Practices Law (Indiana Code 23-2-2.7 et seq.) in general governs the relationship between the franchisor and the franchisee by forbidding certain provisions in the franchise agreement and related documents and by preventing the franchisor from engaging in certain acts and practices which could be considered coercive or oppressive to the franchisee. If any of the provisions of the Franchise Agreement or the Area Development Agreement conflict with this law, this law will control.

Any provisions requiring you to sign a general release of claims against us, including upon execution of a successor Franchise Agreement, refund of initial fees, or transfer, does not release any claim you may have under the Indiana Deceptive Franchise Practices Law.

The Franchise Agreement and the Area Development Agreement provide that suit must be brought in Texas. These provisions may not be enforceable under Indiana law.

Indiana franchise laws will govern the Franchise Agreement, the Area Development Agreement, and any and all other related documents.

MARYLAND

1. The following paragraph is added to the end of Item 5:

Based on our financial condition, the State of Maryland has required a financial assurance. Therefore, we have posted a surety bond with the State of Maryland guaranteeing our obligations under the Franchise Agreement and the Area Development Agreement. You may contact the state agency listed in Exhibit A for more information.

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

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of the "Summary" section of Item 17(h), entitled "Cause" defined – non-curable defaults:

The Area Development Agreement and Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

4. The following sentence is added to the end of the "Summary" section of Item 17(v), entitled Choice of forum:

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

The Franchise Agreement, Area Development Agreement, and Franchisee Disclosure Questionnaire are amended to state: "All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

MINNESOTA

1. **Trademarks.** The following sentence is added to the end of Item 13:

Provided you have complied with all provisions of the Area Development Agreement and Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

2. **Renewal, Termination, Transfer and Dispute Resolution.** The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Area Development Agreement and Franchise Agreement and 180 days' notice for non-renewal of the Area Development Agreement and Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Area Development Agreement or Franchise Agreement can abrogate or reduce any of Developer's or Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Area Development Agreement or Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

3. The following paragraph is added to the end of Item 5:

Based on our financial condition, the State of Minnesota has required a financial assurance. Therefore, we have posted a surety bond with the State of Minnesota guaranteeing our obligations under the Franchise Agreement and the Area Development Agreement. You may contact the state agency listed in Exhibit A for more information.

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE DEVELOPER OR FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil

action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

3. The following is added to the end of Item 4:

None of the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), entitled Requirements for franchisee to renew or extend, and Item 17(m), entitled Conditions for franchisor approval of transfer:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), entitled

Termination by franchisee:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), entitled Assignment of contract by franchisor:

However, no assignment will be made except to an assignee that in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Area Development Agreement or Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), entitled Choice of forum, and Item 17(w), entitled Choice of law:

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

NORTH DAKOTA

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

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The following is added to the end of the "Summary" section of Item 17(r), entitled Non-competition covenants after the franchise is terminated or expires:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

3. The "Summary" section of Item 17(u), entitled Dispute resolution by arbitration or mediation is deleted and replaced with the following:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), mediation will be at a site to which we and you mutually agree.

4. The "Summary" section of Item 17(v), entitled Choice of forum, is deleted and replaced with the following:

You must sue us in Texas, except that to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The "Summary" section of Item 17(w), entitled Choice of law, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Texas will apply.

6. The following paragraph is added at the end of Item 5:

"Based on our financial condition, the State of North Dakota has required a financial assurance. Therefore, we have posted a surety bond with the State of North Dakota guaranteeing our obligations under the Franchise Agreement. You may contact the state agency listed in Exhibit A of our Franchise Disclosure Document."

RHODE ISLAND

1. The following language is added to the end of the “Summary” sections of Item 17(v), entitled Choice of forum, and 17(w), entitled Choice of law:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a multi-unit Area Development Agreement or franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

VIRGINIA

1. The following language is added to the end of the "Summary" section of Item 17.h., entitled "Cause" defined – non-curable defaults:

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

WASHINGTON

1. The following paragraphs are added at the end of Item 17:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor, including the areas of termination and renewal of your franchise.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions

contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

2. Item 17(q) (Franchise Agreement Table) of this Disclosure Document is amended to provide that this provision is subject to state law.
3. Item 17(q) (Area Development Agreement Table) of this Disclosure Document is amended to provide that this provision is subject to state law.
4. Item 17(r) (Franchise Agreement Table) of this Disclosure Document is amended to provide that this provision is subject to state law.
5. Item 17(r) (Area Development Agreement Table) of this Disclosure Document is amended to provide that this provision is subject to state law.
6. Item 17(u) (Franchise Agreement Table) of this Disclosure Document is amended to provide that this provision is subject to state law.
7. Item 17(u) (Area Development Agreement Table) of this Disclosure Document is amended to provide that this provision is subject to state law.
8. The following paragraph is added at the end of Item 21:

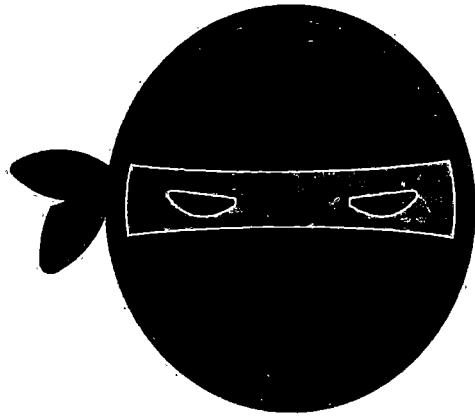
Based on our financial condition, the State of Washington has required financial assurance. Therefore, we have posted a surety bond with the State of Washington guaranteeing our obligations under the Franchise Agreement. You may contact the state agency listed in Exhibit A for more information.

WISCONSIN

The following paragraphs are added at the end of Item 17:

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

EXHIBIT C
FRANCHISE AGREEMENT



CODE NINJAS

CODE NINJAS, LLC

FRANCHISE AGREEMENT

FRANCHISEE

APPROVED LOCATION

EFFECTIVE DATE OF AGREEMENT

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. GRANT	2
2. TERM AND RENEWAL	4
3. DUTIES OF FRANCHISOR	5
4. FEES	6
5. SITE SELECTION, CONSTRUCTION AND OPENING OF BUSINESS	8
6. TRAINING	11
7. TECHNOLOGY	13
8. OTHER DUTIES OF FRANCHISEE	16
9. PROPRIETARY MARKS	24
10. MANUALS	28
11. CONFIDENTIAL INFORMATION	28
12. ACCOUNTING AND RECORDS	29
13. MARKETING AND PROMOTION	30
14. INSURANCE	32
15. TRANSFER OF INTEREST	34
16. DEFAULT AND TERMINATION	38
17. OBLIGATIONS UPON TERMINATION OR EXPIRATION	41
18. COVENANTS	43
19. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP	45
20. TAXES, PERMITS, AND INDEBTEDNESS	46
21. INDEPENDENT CONTRACTOR AND INDEMNIFICATION	47
22. APPROVALS AND WAIVERS	47
23. WARRANTIES OF OPERATOR	49
24. NOTICES	49
25. ENTIRE AGREEMENT	49
26. SEVERABILITY AND CONSTRUCTION	50
27. APPLICABLE LAW AND DISPUTE RESOLUTION	51
28. ACKNOWLEDGMENTS	54

EXHIBITS

EXHIBIT A – DATA SHEET
 EXHIBIT B – LIST OF FRANCHISEE'S PRINCIPALS AND DESIGNATED PRINCIPAL
 EXHIBIT C – GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT
 EXHIBIT D – AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
 EXHIBIT E – NON-DISCLOSURE AGREEMENT FOR EMPLOYEES
 EXHIBIT F – TELEPHONE NUMBER ASSIGNMENT AND POWER OF ATTORNEY
 EXHIBIT G – LEASE RIDER
 EXHIBIT H – FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT
 EXHIBIT I – MOBILE TRAILER ADDENDUM
 EXHIBIT J – CODE NINJAS STUDIO RIDER
 EXHIBIT K – STATE ADDENDA

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on this _____ day of _____, 20____ (the "Effective Date"), by and between:

◆ Code Ninjas, LLC, a Texas limited liability company, whose principal place of business is 11200 Broadway Street, Suite 2731, Pearland, Texas 77584 ("Franchisor"); and

◆ _____ a [resident of]
[corporation organized in] [limited liability company organized in] [select one], having offices at _____

("Franchisee").

BACKGROUND:

A. Franchisor owns a format and system (the "System") relating to the establishment and operation of learning centers that feature and operate under the Proprietary Marks (as defined below) (each a "Code Ninjas Center"). Code Ninjas Centers provide child focused educational programs, including subjects such as computer programming, coding, math, logic and teamwork, under the name "Code Ninjas."

B. The distinguishing characteristics of the System include distinctive interior design, decor, color schemes, fixtures, and furnishings; standards and specifications for products, services, equipment, materials, and supplies; uniform standards, specifications, and procedures for operations; purchasing and sourcing procedures; training and assistance; and marketing and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by means of certain indicia of origin, emblems, trade names, service marks, logos, and trademarks, including applications and/or registrations therefor, as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System including the mark "Code Ninjas" and other marks (the "Proprietary Marks").

D. Franchisee desires to enter into the business of operating a Code Ninjas Center under the System and using the Proprietary Marks, and wishes to enter into this Agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith.

E. Franchisee acknowledges that it has read this Agreement and the Franchisor's Franchise Disclosure Document and that it understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the Franchisor's high standards of quality and service and the uniformity of those standards at all Code Ninjas Centers in order to protect and preserve the goodwill of the Proprietary Marks.

F. Franchisee has applied for a franchise to own and operate a Code Ninjas Center at the location identified in Exhibit A, and such application has been approved by the Franchisor in reliance upon all of the representations made herein.

NOW, THEREFORE, the parties agree as follows:

1. GRANT

1.1 **Grant and Acceptance.** Franchisor grants to Franchisee the right, and Franchisee hereby undertakes the obligation, upon the terms and conditions set forth in this Agreement to: (a) establish and operate a Code Ninjas Center (the “**Franchised Center**”), (b) use, only in connection therewith, the Proprietary Marks and the System, as they may be changed, improved, or further developed from time to time by Franchisor; and (c) operate the Franchised Center only at the Approved Location (as defined in Section 1.3 below) in accordance with this Agreement.

1.2 **Site Selection Area.** Franchisee shall, on or before the Site Selection Date as defined in Section 5.1, locate and secure, through lease or purchase, subject to Franchisor’s approval, the Approved Location (as defined below) for the Franchised Center within the area described in Exhibit A (the “**Site Selection Area**”). Franchisee shall be limited to locating and securing a site for the Franchised Center within this Site Selection Area. Franchisee agrees and acknowledges that the Site Selection Area is solely for the purpose of locating a site, and shall in no way be considered an exclusive or protected area for the Franchised Center. In the case that another franchisee of Franchisor has been granted franchise rights to operate a Code Ninjas Center within the Site Selection Area, Franchisee’s Approved Location must not encroach upon such franchisee’s specified territory.

1.3 **Approved Location.** Franchisee shall develop and operate the Franchised Center only at the site specified in Exhibit A to this Agreement as the “**Approved Location**”. The Approved Location shall be described in Exhibit A subsequent to the execution of this Agreement, upon Franchisor’s approval of the location and execution of the related lease or purchase agreement. Franchisee shall not relocate the Franchised Center without Franchisor’s prior written consent and/or otherwise in writing by Franchisor, as provided in Section 8.26 below.

1.4 **Limit on Sales.** Franchisee’s rights hereunder shall be limited to offering and selling products and services at the Franchised Center, and only to retail customers of the Franchised Center (the “**Premises**”). Franchisee expressly acknowledges that it may only engage in off-Premises activities within the Territory (as defined in Section 1.5) and only in accordance with such specific programs, policies, terms, and conditions as Franchisor may from time to time establish and in accordance with the requirements of this Agreement and the procedures set forth in the Manuals (as defined in Section 3.3 below) and all applicable laws. Franchisee shall not, without the prior written approval of Franchisor, engage in any other type of sale of, or offer to sell, or distribution of products or services, including, but not limited to: selling, distributing or otherwise providing, any products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any products through catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet). Notwithstanding the foregoing, in the event that Franchisee elects to add Franchisor’s optional mobile edutainment trailer operating under the name “Dojo2Go” or such other name as Franchisor may prescribe, Franchisee may provide external services to events and locations off-Premises within the Territory on the terms and conditions set forth in Exhibit I attached hereto.

1.5 **Territory and Reserved Rights.** Except as otherwise provided in this Agreement, during the term of this Agreement, Franchisor shall not establish or operate, nor license any other person to establish or operate, a Code Ninjas Center at any location within the territory specified in Exhibit A (the “**Territory**”). Franchisor retains the following rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

1.5.1 To own, acquire, establish, and/or operate and license others to establish and operate, Code Ninjas Centers under the System at any location outside the Territory, notwithstanding their proximity to the Territory or the Approved Location or their actual or threatened impact on sales of the Franchised Center;

1.5.2 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar to or different from the Franchised Center, at any location within or outside the Territory, notwithstanding their proximity to the Territory or the Approved Location or their actual or threatened impact on sales of the Franchised Center;

1.5.3 To sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers, distributors, catalogs, mail order, toll free numbers, the Internet, mobile or temporary locations, or other alternative distribution channels, including products bearing Franchisor's Proprietary Marks;

1.5.4 To (i) acquire one or more retail businesses that are the same as, or similar to, Code Ninjas Centers then operating under the System (each an "**Acquired Business**"), which may be at any location within or outside the Territory, notwithstanding their proximity to the Territory or the Approved Location or their actual or threatened impact on sales of the Franchised Center, and to (ii) operate and/or license others to operate any Acquired Business under its existing name or as a Code Ninjas Center under the System, subject to the following conditions that apply to each Acquired Business located within the Territory:

1.5.4.1 Provided that Franchisee is in compliance with this Agreement and any other agreement with Franchisor, Franchisor may, in its sole discretion, offer to Franchisee the option to purchase and operate, as a Code Ninjas Center, an Acquired Business that is purchased by Franchisor for operation by Franchisor or its affiliates. If Franchisor in its discretion offers to Franchisee such an option, Franchisor shall provide Franchisee with written notice of Franchisor's purchase of the Acquired Business(es), the terms and conditions applicable to the Franchisee's option to purchase such Acquired Business(es), and such other information that Franchisor deems necessary to include in the notice. The terms and conditions offered to Franchisee shall include, without limitation, the following: (a) the purchase price will be based on Franchisor's purchase price for such Acquired Business, and if the Acquired Business was part of an Acquired System (as defined below), then Franchisee's purchase price for such Acquired Business shall be determined using a ratio equal to the sales during the prior year of such Acquired Business as compared to the total sales in such prior year of all Acquired Businesses purchased by Franchisor in the same transaction; and (b) the requirement that Franchisee enter into Franchisor's then-current form of System franchise agreement for the Acquired Business. If Franchisee does not elect to purchase, or fails to complete the purchase of, an Acquired Business, Franchisor shall retain its right to operate itself, or through its affiliates or third party licensees or franchisees, the Acquired Business under any trade name, service mark, or trademarks including the Proprietary Marks. If an Acquired Business is part of a system of retail businesses that Franchisor acquires (an "**Acquired System**"), Franchisor may also license to a licensee or franchisee under the Acquired System additional units of the Acquired System that the licensee or franchisee has the right to develop and operate within the Territory.

1.6 **No Territory Established.** If there is no Territory established in Exhibit A or if it references a site "to be determined," Franchisee expressly acknowledges and agrees that Franchisor may own, acquire, establish, and/or operate and license others to establish and operate, Code Ninjas Centers under the System at any location, and exercise all of the rights reserved to it in Section 1.5 at any location, notwithstanding the proximity to or the actual or threatened impact on sales of the Franchised Center.

2. **TERM AND RENEWAL**

2.1 **Initial Term.** This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, this Agreement shall expire five (5) years from the Effective Date.

2.2 **Renewal.** Franchisee may apply to operate the Franchised Center for three (3) additional terms of five (5) years each, if the following conditions are met prior to renewal:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee's election to renew at least six (6) months, but not more than twelve (12) months, prior to the end of the term of this Agreement;

2.2.2 Franchisee shall not have any past due monetary obligations or other outstanding obligations to Franchisor and its affiliates, the approved suppliers of the System, or the lessor of the Premises;

2.2.3 Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates, the approved suppliers of the System, or the lessor of the Premises; and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.4 Franchisee and Franchisor shall execute a mutual general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees;

2.2.5 Franchisee shall execute the then-current form of franchise agreement offered by Franchisor, which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, requirements to pay additional and/or higher fees such as royalties and advertising contributions;

2.2.6 Franchisee shall comply with the then-current qualification and training requirements of Franchisor;

2.2.7 Franchisee shall make or provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the Premises as Franchisor may reasonably require, including installation of new equipment and renovation of signs, furnishings, fixtures, and decor to reflect the then-current standards and image of the System;

2.2.8 Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises (or such other location acceptable to Franchisor) for the duration of the renewal term;

2.2.9 Franchisee, at the time of renewal, satisfies Franchisor's standards of financial responsibility and, if requested by Franchisor, Franchisee demonstrates to Franchisor that Franchisee has sufficient financial resources and means to continue to operate the Franchised Center during the renewal term; and

2.2.10 Franchisee shall remit to Franchisor a renewal fee equal to Two Thousand Dollars. (\$2,000).

3. **DUTIES OF FRANCHISOR**

3.1 **Franchisor's Plans.** Franchisor shall make available to Franchisee, specifications for the construction of a Code Ninjas Center and for the interior design and layout, fixtures, furnishings, equipment, and signs. Franchisee acknowledges that such standard design plans and specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public

accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Code Ninjas Center, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense. Franchisee understands and acknowledges that Franchisor has the right to modify the prototype design plans and specifications, and develop additional prototype design plans and specifications, as Franchisor deems appropriate from time to time (however Franchisor will not modify the prototype plans and specifications for the Franchised Center developed pursuant to this Agreement once those prototype architectural plans and specifications have been given to Franchisee). Franchisee further understands and acknowledges that each Franchised Center will be designed differently depending the specifications of the Premises. Franchisee shall adapt the standard plans to the Franchised Center's location, as provided in Section 5.3 hereof, subject to Franchisor's approval.

3.2 **Initial Training.** Franchisor shall provide its initial training ("**Initial Training**"), either at a physical location or virtually, as determined by Franchisor, as described in Section 6 of this Agreement, for up to three (3) trainees (unless Franchisee has already completed the Initial Training to Franchisor's satisfaction), in which event the terms set forth in Section 6.1.3 below shall apply with respect to the pre-opening training of Franchisee, the Designated Principal and any Director).

3.3 **Loan of Manuals.** Franchisor shall provide Franchisee, on loan, copies of the Franchisor's confidential operations manuals and other manuals, instructional materials, and written policies and correspondence (collectively, the "**Manuals**"), as more fully described in Section 10 hereof.

3.4 **Advertising Programs and Materials.** Franchisor shall review and shall have the right to approve or disapprove all advertising and promotional materials that Franchisee proposes to use, pursuant to Section 13 below.

3.5 **Grand Opening Advertising.** Franchisor shall assist Franchisee in developing and conducting the Grand Opening Advertising Program (as described in Section 13.3 below), which program shall be conducted at Franchisee's expense.

3.6 **Guidance.** Franchisor may provide periodic advice or offer guidance to Franchisee in the marketing, management, and operation of the Franchised Center as Franchisor determines at the time(s) and in the manner determined by Franchisor.

3.7 **Inspections.** Franchisor shall conduct, as it deems advisable, inspections of the operation of the Franchised Center by Franchisee.

3.8 **List of Suppliers.** Franchisor shall, in the Manuals (or otherwise in writing as determined by Franchisor), provide Franchisee with a list of suppliers designated and/or approved by Franchisor to supply products, equipment, signage, materials and services to franchisees in the System.

3.9 **Delegation.** Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any distributor, designee, employee, or agent of Franchisor, as Franchisor may direct.

3.10 **Fulfillment of Obligations.** In fulfilling its obligations pursuant to this Agreement, and in conducting any activities or exercising any rights pursuant to this Agreement, Franchisor (and its affiliates) shall have the right: (i) to take into account, as it sees fit, the effect on, and the interests of, other Franchised Centers and systems in which Franchisor (or its affiliates) has an interest and Franchisor's (and its affiliates') own activities; (ii) to share market and product research, and other proprietary and non-proprietary business information, with other Franchised Centers and systems in which Franchisor (or its affiliates) has an interest, or with Franchisor's affiliates; (iii) to introduce proprietary and non-proprietary

items or operational equipment used by the System into other franchised systems in which Franchisor (or its affiliates) has an interest; and/or (iv) to allocate resources and new developments between and among systems, and/or Franchisor's affiliates, as it sees fit. Franchisee understands and agrees that all of Franchisor's obligations under this Agreement are subject to this Section 3.10, and that nothing in this Section 3.10 shall in any way affect Franchisee's obligations under this Agreement.

4. **FEES**

4.1 **Franchise Fee.** In consideration of the execution of this Agreement and Franchisor's granting to Franchisee the franchise covered hereby, Franchisee agrees to pay to Franchisor an initial franchise fee of Thirty One Thousand Dollars (\$31,000) (the "**Franchise Fee**") as reflected in Exhibit A, which sum shall be deemed fully earned by Franchisor upon receipt thereof and is non-refundable as set forth in Section 4.2 below. If Franchisee does not obtain a lease or sublease for the Franchised Center within four (4) months of the Effective Date (pursuant to Section 5.1), or if the Franchised Center is not open and operating eight (8) months following the Effective Date, Franchisor may, at its option, terminate this Agreement without providing any refund to Franchisee. The Franchise Fee shall be paid in full upon the execution of this Agreement, subject to a development credit, if any, that may be applied from the Area Development Fees that Franchisee previously paid to Franchisor pursuant to a separate Area Development Agreement executed between Franchisor and Franchisee relating to the Franchised Center.

4.2 **Refundability.** Payment of the Franchise Fee shall be non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

4.3 **Royalty Fee.** In consideration of this franchise granted hereby, the services to be provided by Franchisor hereunder, the right to offer and sell the products and services to the general public, and for the use of the Proprietary Marks, Franchisee shall pay to Franchisor, each week during the term of this Agreement, in addition to the Franchise Fee set forth herein, a Royalty Fee equal to six and one-half percent (6.5%) of Net Sales generated by, from, through or associated with the Franchised Center or Franchisee's operations under this Agreement ("**Royalty Fee**") and report to Franchisor, in the manner specified by Franchisor, its Net Sales (a "**Sales Report**"). The term "**Net Sales**" means all revenue from the sale of all products and services and all other income of every kind and nature related to, derived from, or originating from the Franchised Center or Franchisee's operations under this Agreement, whether at retail or wholesale (whether such sales are permitted or not), whether for cash, check, or credit, and regardless of collection in the case of check or credit; provided, however, that "Net Sales" excludes any actual documented customer refunds made in good faith, and/or sales taxes collected from customers by Franchisee and actually transmitted to the appropriate taxing authorities. The obligation of Franchisee to pay the Royalty Fee will apply for any Net Sales generated or collected during the term of this Agreement, provided that if Franchisee has not opened the Franchised Location on or before the Required Opening Date as defined in Section 5.4, in addition to the standard Royalty Fee for amounts collected as Net Sales, Franchisee will pay a minimum royalty fee of Five Hundred Dollars (\$500.00) per month to Franchisor until Franchisee opens the Franchised Center for business.

4.4 **General Advertising Fee.** If we establish a requirement to pay to us a general advertising fee, upon written notice to you, during the term of this Agreement, you must pay to us our then-current "**General Advertising Fee**" of the greater of (i) three percent (3%) of Net Sales or (ii) One Thousand Dollars (\$1,000) per month. This fee is not a contribution to an independent advertising fund or a pooled advertising program. The General Advertising Fee will be paid in the same manner as Royalty Fees.

4.5 **Other Advertising Expenditures.** Franchisee shall make advertising expenditures for marketing and promotion as Franchisor may direct pursuant to Section 13.1 based on the Net Sales of the Franchised Center.

4.6 **Electronic Systems Fee; Software License Fees.** During the term of this Agreement, Franchisor reserves the right to charge Franchisee its then-current “**Electronic Systems Fee**” for email, Website management, and access to Franchisor’s electronic support systems and center operating software in connection with the System and the Franchise Center, and “**Software License Fees**” for products and services related to informational technology utilized in connection with the Franchised Center or System. If Franchisor does not directly provide these services, Franchisee will be required to sign a separate agreement with Franchisor’s designated provider of these services (which may be an affiliate of Franchisor). Franchisor may increase this fee upon notice to Franchisee. Any fees paid in accordance with this Section 4.5 shall be non-refundable.

4.7 **Call Center Fees.** At the option of Franchisor, Franchisor or one of its affiliates may establish a centralized call center for the handling of inbound and outbound customer inquiries (the “**Call Center**”), but the Call Center shall not be a substitute for Franchisee’s obligations as set forth herein. If Franchisor or one of its affiliates establishes the Call Center, Franchisee may choose to participate in the Call Center, and pay Franchisor or its affiliate its then-current fees (“**Call Center Fees**”), including without limitation, base service fees and/or a commission on each customer acquisition for the Franchised Center.

4.7.1 Franchisor or its affiliate, through the operation of the Call Center and otherwise, may refer customers attempting to make inquiries or a reservation at a Code Ninjas business generally, or specifically at the Franchised Center, to another Code Ninjas center when: (1) the Franchised Center is not the closest Code Ninjas center; (2) the Franchised Center is fully booked for appointment or time period requested by the customer; (3) Franchisee does not make its schedule available to Franchisor or treat reservations made by Franchisor the same as reservations booked by Franchisee; (4) the Franchised Center does not meet the customer’s requirements in other respects; (5) Franchisee is in default of the Franchise Agreement or its real estate lease for the Premises, or has notified Franchisor of its intent cease operations; or (6) for any other reason reasonably determined to be in the best interests of the customer or the preservation of the customer as a Code Ninjas customer.

4.8 **When Payments Due.** Franchisor shall provide for collection of all Franchisee customer payments through Franchisor’s online payment processing portal, and Franchisee hereby authorizes that processor to deduct any monies it collects on Franchisee’s behalf the amount of all payments and fees Franchisee is obligated to pay to Franchisor, its affiliates, and its approved vendors on the due date of such fee. Franchisee shall establish an arrangement for electronic funds transfers (“**EFT**”), including, without limitation, execution of Franchisor’s current form of “Authorization Agreement for Prearranged Payments,” a copy of which is attached to this Agreement as Exhibit D, which also includes a credit card authorization in favor of Franchisor authorizing Franchisor to charge all amounts Franchisee or its affiliates owe to Franchisor under this Agreement or any other agreement between Franchisee and its affiliates and Franchisor. Franchisee shall comply with all payment and reporting procedures specified by Franchisor in this Agreement and the Manuals. No later than Monday of each week during the term of this Agreement Franchisor shall calculate the amount of customer payments it has received in connection with the Franchised Center for the preceding week, and shall remit such amount to Franchisee via EFT, less amounts representing the Royalty Fee, General Advertising Fee, Electronic Systems Fees, Call Center Fee, advertising contributions, EFT fees and merchant services and other processing fees, in addition to any and all other amounts owed to Franchisor (or any affiliate of Franchisor) under this Agreement and any other agreement. Each weekly payment by Franchisor to Franchisee shall be accompanied by a statement setting forth the amount of customer payments received in connection with the Franchised Center and payments remitted to Franchisor. Franchisee acknowledges that Franchisor may retain any amount of customer payments as remittance of any amounts owed to Franchisor (or any affiliate of Franchisor) by Franchisee under this Agreement or in connection with the Franchised Center. Franchisee further expressly acknowledges and agrees that Franchisee’s obligations for the full and timely payment of all amounts provided for in this Agreement shall be absolute, unconditional, and fully earned upon receipt thereof and non-refundable. Franchisee shall not for any reason delay or withhold the payment of all or any part of

those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims Franchisee may allege against Franchisor. Franchisee shall not, on grounds of any alleged non-performance by Franchisor or others, withhold payment of any fee. Franchisee further agrees that it shall, at all times throughout the term of this Agreement, maintain a minimum balance of Three Thousand Five Hundred Dollars (\$3,500.00) in Franchisee's bank account.

4.9 **Designated Accountants and Fees.** If required by Franchisor, Franchisee shall use a certified public accountant service designated or approved by Franchisor for bookkeeping and financial records management of the Franchised Center. Franchisee shall pay such service provider or Franchisor, as directed by Franchisor, a fee for these services for each month in such reasonable amount as the service provider or Franchisor may periodically designate.

4.10 **Additional Payments.** Franchisee shall pay to Franchisor, within fifteen (15) days of any written request by Franchisor, which is accompanied by reasonable substantiating material, any monies which Franchisor has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

4.11 **Overdue Payments and Reports.** Any payment, contribution, statement, or report not actually received by Franchisor on or before such due date shall be overdue. If any contribution or payment is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount: (i) a late payment fee in an amount equal to five percent (5%) of the overdue amount, and (ii) interest on the overdue amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

4.12 **No Waiver.** Acceptance by Franchisor of the payment of any Royalty Fee, or any and all other payments provided for in this Agreement, shall not be conclusive or binding on Franchisor with respect to the accuracy of such payment until two (2) years after the effective date of termination or non-renewal of this Agreement. Acceptance of any payment on account of the Royalty Fee or any and all other payments provided for in this Agreement does not constitute any waiver of Franchisor's rights hereunder.

4.13 **No Subordination.** Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the royalties and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

5. **SITE SELECTION, CONSTRUCTION AND OPENING OF BUSINESS**

5.1 **Identifying and Securing Sites.** Franchisee shall, within four (4) months of the Effective Date (the "Site Selection Date"), be solely responsible for identifying, submitting for Franchisor's approval, and securing a site (through lease or purchase) for the Franchised Center. The following terms and conditions shall apply to Franchised Center:

5.1.1 Franchisee shall submit to Franchisor, in a form specified by Franchisor, a completed site approval package, which shall include: (i) a site approval form prescribed by Franchisor; (ii) a trade area and site marketing research analysis (prepared by a company approved in advance by Franchisor); (iii) an option contract, letter of intent, or other evidence satisfactory to Franchisor which describes Franchisee's favorable prospects for obtaining such site; (iv) photographs of the site; (v) demographic statistics; and (vi) such other information or materials as Franchisor may reasonably require (collectively, the "SAP"). Franchisor shall have twenty (20) business days after receipt of the SAP from Franchisee to approve or disapprove, in its sole discretion, the proposed site for the Franchised Center. In the event Franchisor does not approve a proposed site by written notice to Franchisee within said twenty

(20) business days, such site shall be deemed disapproved by Franchisor. No site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

5.1.2 Following Franchisor's approval of a proposed site, Franchisee shall use its best efforts to secure such site, either through a lease/sublease that is acceptable to Franchisor, as provided in Section 5.2 below, or a binding purchase agreement, and shall do so within sixty (60) business days of approval of the site by Franchisor. Franchisee shall immediately notify Franchisor of the execution of the approved lease or binding purchase agreement.

5.1.3 Franchisee hereby acknowledges and agrees that approval by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Center or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and Premises may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor, could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Franchisee's expectations as to revenue or operational criteria.

5.2 **Lease Terms.** For the Franchised Center to be developed hereunder, if Franchisee will occupy the Premises from which the Franchised Center will be operated under a lease or sublease, Franchisee shall, prior to execution of such lease, submit the lease to Franchisor for its review and approval; provided, however, if pre-submission to Franchisor is not possible, then Franchisee may sign the lease only on the condition, agreed to in writing by the lessor, that the lease shall become null and void if Franchisor does not approve such lease. Franchisor's approval of the lease or sublease may be conditioned upon the inclusion of such provisions as Franchisor may reasonably require, including, without limitation, the terms and conditions set forth by Franchisor in the Manuals or otherwise in writing from time to time. A Lease Rider containing Franchisor's current requirements is included in Exhibit G to this Agreement, which Franchisee must execute and must cause to be executed by the landlord to its lease as a condition to Franchisor's approval hereunder.

5.3 **Preparing a Location.** Before commencing any construction of the Franchised Center, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

5.3.1 Franchisee shall employ a qualified, licensed architect or engineer who has been approved or designated (as described below) by Franchisor to prepare, subject to Franchisor's approval, preliminary plans and specifications for site improvement and/or construction of the Franchised Center based upon prototype plans and/or specifications furnished by Franchisor, as described in Section 3.1 above. Franchisor shall have the right to designate one or more suppliers of design services and/or architecture services to supply such services to the System. If Franchisor designates a design firm and/or architecture firm prior to the time Franchisee commences to develop the Franchised Center, Franchisee shall employ such designated supplier(s) to prepare all designs and plans for the Franchised Center, unless Franchisee obtains Franchisor's prior written approval to use an alternative professional. If Franchisor has not designated a design firm or architecture firm, Franchisee shall be responsible for locating and employing a qualified design consultant and architect who is/are licensed in the jurisdiction in which the Franchised Center will be located, and who is reputable and experienced in providing design and architecture services. Franchisee shall be solely responsible for payments for all design and architecture services. Franchisee expressly acknowledges and agrees that Franchisor shall not be liable for the

unsatisfactory performance of any contractor, firm, supplier, professional or consultant retained by Franchisee, whether or not designated by Franchisor.

5.3.2 Franchisee shall comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA, regarding the construction, design and operation of the Franchised Center. In the event Franchisee receives any complaint, claim, other notice alleging a failure to comply with the ADA, Franchisee shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof.

5.3.3 Franchisee shall submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications. Franchisor's review and approval of plans shall be limited to review of such plans to assess compliance with Franchisor's design standards for Code Ninjas Centers, including such items as trade dress, presentation of Proprietary Marks, and the providing to the potential customer of certain products and services that are central to the functioning of Code Ninjas Centers. Such review is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is the sole responsibility of Franchisee. Once approved by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any such change made without Franchisor's prior written permission shall constitute a default and Franchisor may withhold its authorization to open the Franchised Center until the unauthorized change is rectified (or reversed) to Franchisor's reasonable satisfaction.

5.3.4 Franchisee shall obtain all permits and certifications required for the lawful construction and operation of the Franchised Center and shall certify in writing to Franchisor that all such permits and certifications have been obtained.

5.3.5 Franchisee shall employ a qualified licensed general contractor who has been approved or designated by Franchisor to construct the Franchised Center and to complete all improvements, which general contractor may be Franchisor or an affiliate of Franchisor. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under Section 14 below. Franchisee expressly acknowledges and agrees that Franchisor shall not be liable for the unsatisfactory performance of any contractor retained by Franchisee.

5.3.6 Throughout the construction process, Franchisee shall comply with Franchisor's requirements and procedures for periodic inspections of the Premises, and shall fully cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request.

5.3.7 Franchisee agrees to use in the construction and operation of the Franchised Center only those brands, types or models of construction and decorating materials, fixtures, equipment, furniture and signs that the Franchisor has approved for the Franchised Center as meeting its specifications and standards for quality, design, appearance, function and performance. Franchisee further agrees to place or display at the Premises of the Franchised Center only such signs, emblems, lettering, logos and display materials that are from time to time approved in writing by the Franchisor. Franchisee may purchase approved types or models of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by the Franchisor (which may include the Franchisor and/or its affiliates), which approval may not be unreasonably withheld. If Franchisee proposes to purchase any type or model of construction or decorating material, fixture, equipment, furniture or sign not then approved by the Franchisor, and/or any such item from any supplier which is not then approved by the Franchisor, Franchisee shall first notify Franchisor in writing and shall submit to Franchisor sufficient specifications, photographs, drawings and/or other information or samples for a determination by Franchisor of whether such brand or type of construction or decorating material, fixture, equipment, furniture or sign complies with its specifications and standards. Franchisor may, in its sole discretion,

refuse to approve any such item(s) and/or supplier(s) that does not meet Franchisor's standards or specifications.

5.4 **Opening Date.** Unless delayed by the occurrence of events constituting "force majeure" as defined in Section 5.5 below, Franchisee shall construct, furnish, and open the Franchised Center in accordance with this Agreement on or before eight (8) months following the Effective Date (the "**Required Opening Date**"). Time is of the essence. Franchisee shall provide Franchisor with (a) written notice of its specific intended opening date; and (b) request for Franchisor's approval to open on such date. Such notice and request shall be made no later than thirty (30) days prior to such intended opening date. Additionally, Franchisee shall comply with all other of Franchisor's pre-opening requirements, conditions and procedures (including, without limitation, those regarding pre-opening scheduling, training, and communications) as set forth in this Agreement, the Manuals, and/or elsewhere in writing by Franchisor, and shall obtain Franchisor's written approval as to the opening date prior to opening the Franchised Center. Notwithstanding the foregoing, if Franchisee is entering into this Agreement pursuant to the terms of an Area Development Agreement executed between Franchisee and Franchisor, Franchisee must open the Franchised Center on or before the date set forth in the "Development Schedule" (as defined in the Area Development Agreement).

5.5 **Force Majeure.** Neither party shall be responsible for non-performance or delay in performance occasioned by a "force majeure," which means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, or other calamity, strike or other labor dispute, epidemic or pandemic, or any other cause beyond the reasonable control of such party; provided, however, force majeure shall not include Franchisee's lack of adequate financing, and no event of force majeure shall relieve a party of the obligation to pay any money under this Agreement.

6. **TRAINING**

6.1 **Initial Training and Attendees.** Before opening the Franchised Center, Franchisee shall have satisfied all initial training obligations required by Franchisor, which are as follows:

6.1.1 Franchisee (or, if Franchisee is other than an individual, the Designated Principal (defined in Section 8.3 below)) and, if applicable, the Director and additional persons as Franchisor may require, (not to exceed a total of three (3) persons), shall attend and successfully complete, to Franchisor's satisfaction, the initial training program offered by Franchisor at a location designated by Franchisor (unless Franchisee has multiple agreements with Franchisor and/or Franchisee has already completed the initial training program in which event the requirements set forth in Section 6.1.3 below shall apply with respect to the pre-opening training of Franchisee, the Designated Principal and any Director). Franchisee shall pay Franchisor's then-current fee for each additional person, beyond the maximum of three (3) persons, to attend the initial training program. The duration of the initial training will be approximately three (3) days, depending on the function of the individual attending such training, and is subject to change. During the initial training, Franchisee shall receive instruction, training and education in the operation of the Franchised Center and indoctrination into the System. The duration and content of the initial training is subject to change in Franchisor's sole discretion. If any required attendee does not satisfactorily complete such training, Franchisor may require that a replacement person attend and successfully complete, to Franchisor's satisfaction, the initial training program.

6.1.2 If Franchisee is other than an individual, Franchisor may require (in addition to the training of the Designated Principal and Director) that any or all owners of beneficial interests in Franchisee (each a "**Principal**"), who are individuals and own at least a ten percent (10%) beneficial interest in Franchisee, attend and successfully complete, to Franchisor's satisfaction, such portions of the initial training program as determined by Franchisor appropriate for Principals not involved in the day-to-day operations of the Franchised Center.

6.1.3 If Franchisee already has completed Initial Training to Franchisor's satisfaction, then, at the option of Franchisor in its sole discretion, Franchisee shall be responsible for conducting the initial training of its Designated Principal, its Director (if applicable), and any other managerial personnel, in accordance with the requirements and conditions as Franchisor may from time to time establish for such training. Franchisor's requirements for initial training by Franchisee shall be set forth in the Manuals or other written materials and shall include, but are not limited to, the requirement that all such training activities be conducted: (a) by the Designated Principal(s) or personnel of Franchisee (or an affiliate of Franchisee) who have completed Franchisor's initial training program to the satisfaction of the Franchisor, and who remain acceptable to Franchisor to provide initial training; and (b) following the procedures and conditions established by Franchisor. If Franchisor determines that the training provided by Franchisee does not satisfy Franchisor's standards and requirements, or that any newly trained individual is not trained to Franchisor's standards, then Franchisor may require that such newly trained individual(s) attend and complete an initial training program provided by Franchisor prior to the opening of the Franchised Center.

6.1.4 Franchisee must satisfy all pre-opening training requirements under this Section 6.1 by no later than thirty (30) days prior to the scheduled opening of the Franchised Center.

6.2 **New or Replacement Designated Principal and Directors.** In the event that Franchisee's Designated Principal or (if required pursuant to Section 8.3.2) Director ceases active employment in the Franchised Center, Franchisee shall enroll a qualified replacement who is reasonably acceptable to Franchisor in Franchisor's training program reasonably promptly following cessation of employment of said individual. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for any such training conducted by Franchisor. In the alternative, with respect to training a replacement Director, Franchisee may train such replacement(s) in accordance with Section 6.3 below. The replacement Designated Principal and/or any required managers shall complete the initial training program as soon as is practicable and in no event later than any time periods as Franchisor may specify from time to time in the Manuals and otherwise in writing. Franchisor reserves the right to review any Franchisee trained personnel and require that such persons attend and complete, to the satisfaction of Franchisor, the initial training program offered by Franchisor at a location designated by Franchisor.

6.3 **Training by Franchisee of Additional or Replacement Directors.** Franchisee shall have the option of training any Director (following the training of the first Director by Franchisor) at the Franchised Center or other Code Ninjas Centers operated by Franchisee or its affiliates, provided that Franchisee is in compliance with all agreements between Franchisee and Franchisor and further provided that the training is conducted: (a) by the Designated Principal or other personnel who has completed Franchisor's initial training program to the satisfaction of the Franchisor (and who remains acceptable to Franchisor to provide such training); and (b) in accordance with any requirements or standards as Franchisor may from time to time establish in writing for such training. In the event Franchisor conducts such training, Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for training.

6.4 **Convention.** If Franchisor holds a franchise convention, the person holding a controlling interest in Franchisee and its Designated Principal (if different) are required to register for and attend the convention annually in accordance with Franchisor's policies. Franchisor will bill Franchisee for one registration fee prior to the convention, which will provide Franchisee with one registration. Additional representatives of Franchisee may also attend the conference, as long as they are registered and pay the registration fee for their attendance. Franchisee must also pay for all travel and living expenses incurred by it and its representatives in attending the convention.

6.5 **Refresher Training.** Subject to Section 6.7, Franchisor may also require that Franchisee or its Designated Principal and Director attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time, provided that such training shall not

exceed four (4) days per person each year, and attendance for up to three (3) days per person each year at conventions, if any, conducted for Franchisor's franchisees.

1.1 **Training Costs**. The cost of all training (instruction and required materials) shall be borne by Franchisor, except as provided in Section 6.7 below. All other expenses incurred in connection with training, including, without limitation, the costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by Franchisee.

6.6 **Location of Training**. All training programs shall be at such times as may be designated by Franchisor. Training programs shall be provided at Franchisor's headquarters and/or such other locations as Franchisor may designate.

6.7 **Additional Training**. If Franchisor determines, in its sole discretion, that Franchisee is in need of additional supervision or supplemental training, Franchisor may require that Franchisee receive such training from Franchisor, in which case Franchisee agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket training expenses, which shall be as set forth in the Manuals or otherwise in writing. If Franchisee requests that Franchisor provide additional supervision or supplemental training or that any training programs offered or required by Franchisor, then Franchisee further agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket training expenses, set forth in the Manuals or otherwise in writing.

7. **TECHNOLOGY**

7.1 **Computer Systems and Required Software**. The following terms and conditions shall apply with respect to the Computer System and Required Software:

7.1.1 Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, cloud-based systems, Website portals, and hardware be used by, between, or among Code Ninjas Centers, including without limitation: (a) back office and Point of Sale System, data, audio, video, and voice storage, retrieval, and transmission systems for use at Code Ninjas Centers, between or among Code Ninjas Centers, and between and among the Franchised Center and Franchisor and/or Franchisee; (b) Point of Sale System; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the "**Computer System**").

7.1.2 Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs, cloud-based system software, Website portal programs and accounting system software that Franchisee must use in connection with the Computer System ("**Required Software**"), which Franchisee shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (c) the tangible media upon which such Franchisee shall record data; and (d) the database file structure of Franchisee's Computer System.

7.1.3 Franchisee shall record all sales on a cloud-based point of sale and payments processing system designated and approved by Franchisor in the Manuals or otherwise in writing ("**Point of Sale System**"), which shall be deemed part of the Franchisee's Computer System.

7.1.4 Franchisee shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as Franchisor may request in writing (collectively, "**Computer Upgrades**").

7.1.5 Franchisee shall comply with all specifications issued by Franchisor with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. Franchisee shall also afford Franchisor unimpeded access to Franchisee's Computer System and Required Software as Franchisor may request, in the manner, form, and at the times requested by Franchisor. In no way limiting the foregoing, Franchisee shall provide Franchisor with access to any web based video feed of the Franchised Center.

7.1.6 Franchisee shall comply with specifications issued by Franchisor with respect to video camera installation and operation in the Franchised Center, including granting Franchisor access to any video camera feed in any manner Franchisor may so require.

7.2 **Data.** Franchisor may, from time-to-time, specify in the Manuals or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Center, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Center, and all data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the business (including without limitation data pertaining to or otherwise concerning the Franchised Center's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

7.3 **Privacy.** Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("**Privacy**"), and shall comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Franchisee shall: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request to assist Franchisor in its determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

7.4 **Telecommunications.** Franchisee shall comply with Franchisor's requirements (as set forth in the Manuals or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Franchisor's Intranet (as defined below), if any, and/or such other computer systems as Franchisor may reasonably require.

7.5 **Intranet.** Franchisor may establish a Website providing private and secure communications between Franchisor, Franchisee, franchisees, licensees and other persons and entities as determined by Franchisor, in its sole discretion (an "**Intranet**"). Franchisee shall comply with Franchisor's requirements (as set forth in the Manuals or otherwise in writing) with respect to connecting to the Intranet, and utilizing the Intranet in connection with the operation of the Franchised Center. The Intranet may include, without limitation, the Manuals, training or other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet.

7.6 **Websites.** As used in this Agreement, the term "**Website**" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, Franchisee agrees to the following:

7.6.1 Franchisor shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, any or all of the Code Ninjas Centers, the franchising of Code Ninjas Centers, and/or the System. Franchisor shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; Franchisor shall also have the right to discontinue operation of the website.

7.6.2 Franchisor shall have the right, but not the obligation, to designate one or more web page(s) to describe Franchisee and/or the Franchised Center, with such web page(s) to be located within Franchisor's Website. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance and content of any such web pages; and Franchisor shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

7.6.3 Franchisee shall not establish a separate Website, without Franchisor's prior written approval (which Franchisor shall not be obligated to provide). If approved to establish a Website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such Website. Franchisee specifically acknowledges and agrees that any Website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval under Section 13 below.

7.6.4 Franchisor shall have the right to modify the provisions of this Section 7 relating to Websites as Franchisor shall solely determine is necessary or appropriate.

7.7 **Online Use of Marks.** Franchisee shall not, without the prior written approval of Franchisor, use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any email address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements, solicitations, marketing information, promotional information or any other information whatsoever regarding Code Ninjas Centers by email or any other "Electronic Media" without Franchisor's prior written consent and in accordance with such specific programs, policies, terms and conditions as Franchisor may from time to time establish. Electronic Media shall include, but not be limited to, blogs, microblogs, social networking sites (such as Facebook, Instagram and LinkedIn), video-sharing and photo-sharing sites (such as YouTube and Flickr), review sites (such as Yelp and Urbanspoon), marketplace sites (such as eBay and Craigslist), Wikis, chat rooms and virtual worlds.

7.8 **No Outsourcing without Prior Written Approval.** Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Franchisor's prior written approval therefor. Franchisor's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with Franchisor and Franchisee in a form that is reasonably provided by Franchisor.

7.9 **Changes to Technology.** Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Section 7 were periodically revised by Franchisor for that purpose.

8. OTHER DUTIES OF FRANCHISEE

8.1 **Details of Operation.** Franchisee understands and acknowledges that every detail of the System and this Agreement is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating, quality and service standards, to increase the demand for the products and services sold by all operators, to protect Code Ninjas Centers operating under the System, and to protect the reputation and goodwill of Franchisor.

8.2 **Compliance with the Agreement, including the Manuals.** Franchisee shall operate the Franchised Center in strict conformity with this Agreement and such standards and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing, and shall refrain from deviating from such standards, specifications, and procedures without the prior written consent of Franchisor.

8.3 **Management of Business & Designated Principal.**

8.3.1 If Franchisee is other than an individual, prior to beginning training, Franchisee shall designate, subject to Franchisor's reasonable approval, one Principal who is both an individual person and owns at least a ten percent (10%) beneficial interest in Franchisee, and who shall be responsible for general oversight and management of the operations of the Franchised Center on behalf of Franchisee (the "**Designated Principal**"). In the event the person designated as the Designated Principal dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Center, Franchisee shall promptly designate a new Designated Principal, subject to Franchisor's reasonable approval.

8.3.2 Prior to beginning training, Franchisee shall designate in writing a "**Director**" to assume the full-time responsibility for the daily supervision and operation of the Franchised Center. The Director must be either the Franchisee (or, if the Franchisee is other than an individual, its Designated Principal) or an experienced manager. Franchisor has the right to approve any Director, provided such approval shall not be unreasonably withheld.

8.3.3 Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon either or both the Designated Principal or Director as having responsibility and decision-making authority regarding the Franchised Center's operation and Franchisee's business.

8.4 **Staffing.** In order to protect and enhance the System and the goodwill associated with the Proprietary Marks, Franchisee agrees to maintain a competent, conscientious, staff (who are trained by Franchisee to Franchisor's standards and requirements) in numbers sufficient to promptly service customers and to take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; comply with such uniforms and/or dress code as Franchisor may prescribe; and meet such minimum standards as Franchisor may establish from time to time in the Manuals. Franchisee shall be solely responsible for all employment decisions and functions of the Franchised Center, including those related to hiring, firing, wage and hour requirements, recordkeeping, supervision, and discipline of employees, in addition to compliance with all applicable federal, state, and local laws, rules and regulations.

8.5 **Use of Premises.** Franchisee shall use the Premises solely for the operation of the Franchised Center; shall keep the Franchised Center open and in normal operation for such minimum hours and days as Franchisor may specify; shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

8.6 Conformity to Standards. To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchised Center in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Without limitation, Franchisee agrees as follows:

8.6.1 Franchisee shall purchase and install prior to the opening of the Franchised Center, and thereafter maintain, all fixtures, furnishings, equipment, decor, and signs, and maintain in sufficient supplies and materials, as Franchisor may prescribe in the Manuals or otherwise in writing. Franchisee shall refrain from deviating therefrom by the use of any unapproved item without the prior written consent of Franchisor.

8.6.2 Franchisee shall offer and sell only products and services that Franchisor specifies from time to time, unless otherwise approved in writing by Franchisor; and Franchisee shall offer and sell all products and services as Franchisor may specify from time to time as required offerings at the Franchised Center. Franchisee is prohibited from offering or selling any products or services at or from the Franchised Center that have not previously been authorized by Franchisor, and shall discontinue selling and offering for sale any products and services which Franchisor shall have disapproved, in writing, at any time. If Franchisee wishes to offer or sell any products or services that have not previously been authorized by Franchisor, Franchisee must first make a written request to Franchisor, requesting authorization to offer or sell such products or services in accordance with Section 8.7 below. Franchisor may deny such approval for any reason.

8.6.3 Franchisee shall participate in any customer transfer policy established by Franchisor in the Manuals or otherwise in writing in the event a student transfers from one Code Ninjas Center to another, which shall include the provision of paid-for services and the facilitation of payment transfers in connection therewith. In no way limiting the foregoing, Franchisee shall fully honor all customer purchases of services regardless of which Code Ninja Center originally accepted payment.

8.6.4 Franchisor may itself conduct or designate an independent evaluation service to conduct inspections or a "mystery shopper" quality control and evaluation program with respect to Code Ninjas Centers. Franchisee agrees that the Franchised Center will participate in such inspections and mystery shopper program, as prescribed and required by Franchisor. Franchisor shall have the right to require Franchisee to pay the then-current costs associated with such program, or the then-current charges imposed by such evaluation service with respect to inspections of the Franchised Center, and Franchisee agrees that it shall promptly pay such charges or reimburse Franchisor for its expenses. Franchisee acknowledges that as part of any quality control or evaluation program, Franchisor may record telephonic communications and Franchisee consents to the use of such recordings.

8.6.5 Franchisee shall participate in all customer surveys and satisfaction audits, which may require that Franchisee provide discounted or complimentary products or services, provided that such discounted or complimentary sales shall not be included in the Net Sales of the Franchised Center. Additionally, Franchisee shall participate in any complaint resolution and other programs as Franchisor may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

8.6.6 Franchisee (or, if Franchisee is other than an individual, each Principal of Franchisee) and all employees and staff members of Franchisee, including the Director, shall pass a background check prior to commencing work in the Franchised Center, and on a periodic basis thereafter, as determined by Franchisor in its sole discretion, that is free of any sexual and/or violent offenses, any offense involving moral turpitude, and/or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or the interest of Franchisor therein.

8.7 Purchases and Approved Suppliers. Franchisee shall purchase all equipment, fixtures, furnishings, signs, décor, supplies, services, and products required for the establishment and operation of the Franchised Center from Suppliers designated or approved in writing by Franchisor (as used in this Section 8.7 the term “Supplier” shall include manufacturers, distributors and other forms of Suppliers). In determining whether it will approve any particular Supplier, Franchisor shall consider various factors, including but not limited to whether the Supplier (i) can demonstrate, to Franchisor’s continuing reasonable satisfaction, the ability to meet Franchisor’s then-current standards and specifications for such items; (ii) possesses adequate quality controls and capacity to supply Franchisee’s needs promptly and reliably; (iii) approval of who would enable the System, in Franchisor’s sole opinion, to take advantage of marketplace efficiencies; and (iv) has been approved in writing by Franchisor prior to any purchases by Franchisee from any such Supplier, and have not thereafter been disapproved. Franchisor reserves the right to designate, at any time and for any reason, a single Supplier for any equipment, supplies, services, or products and to require Franchisee to purchase exclusively from such designated Supplier, which exclusive designated supplier may be Franchisor or an affiliate of Franchisor.

8.7.1 Notwithstanding anything to the contrary in this Agreement, Franchisee shall purchase all of its requirements of products bearing the Proprietary Marks or products unique to the System and/or Franchisor (“**Proprietary Products**”) from Franchisor or Franchisor’s designee(s), as set forth in Section 8.8 below (through such distributor or distributors as Franchisor may designate). Franchisor shall have the right to introduce additional, substitute new, or discontinue Proprietary Products from time to time.

8.7.2 If Franchisee desires to purchase any products (except for Proprietary Products) or other items, equipment, supplies, services from suppliers other than those previously designated or approved by Franchisor, Franchisee must first submit to Franchisor a written request for authorization to purchase such items. Franchisee shall not purchase from any Supplier until, and unless, such Supplier has been approved in writing by Franchisor. Franchisor may deny such approval for any reason, including its determination to limit the number of approved Suppliers. Franchisee must submit to Franchisor such information and samples as Franchisor may reasonably require, and Franchisor shall have the right to require periodically that its representatives be permitted to inspect such items and/or Supplier’s facilities, and that samples from the proposed Supplier, or of the proposed items, be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. Permission for such inspections shall be a condition of the initial and continued approval of such Supplier. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor may also require that the Supplier comply with such other requirements as Franchisor may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to Franchisor by the Supplier on account of their dealings with Franchisee or other franchisees.

8.7.3 Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved Supplier and to revoke its approval upon the Supplier’s failure to continue to meet any of Franchisor’s then-current criteria. Upon receipt of written notice of such revocation, Franchisee shall cease to sell or use any disapproved item and/or cease to purchase from any disapproved Supplier.

8.7.4 Nothing in the foregoing shall be construed to require Franchisor to approve any particular Supplier, nor to require Franchisor to make available to prospective Suppliers, standards for approval and/or specifications for formulas, which Franchisor shall have the right to deem confidential.

8.7.5 Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at Franchisor’s sole option, Franchisor may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally known Suppliers who are willing to supply all or some Code Ninjas Centers with some or all of the products

and/or services that Franchisor requires for use and/or sale in the development and/or operation of Code Ninjas Centers. In this event, Franchisor may limit the number of approved Suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all products and services, and/or refuse any of Franchisee's requests for approval if Franchisor believes that this action is in the best interest of the System or the franchised network of Code Ninjas Centers. Franchisor shall have unlimited discretion to approve or disapprove of the Suppliers who may be permitted to sell products or services to Franchisee.

8.7.6 Franchisor and its affiliates may receive payments or other compensation from Suppliers on account of such Suppliers' dealings with Franchisee and other franchisees; and Franchisor may use all amounts so received for any purpose Franchisor and its affiliates deem appropriate.

8.8 **Proprietary Products.** Franchisee acknowledges and agrees that the Proprietary Products offered and sold at Code Ninjas Centers are manufactured in accordance with standards and specifications of Franchisor and/or Franchisor's affiliates, and are Proprietary Products of Franchisor and/or its affiliates. In order to maintain the high standards of quality and uniformity associated with Proprietary Products sold at all Code Ninjas Centers in the System, Franchisee agrees to purchase Proprietary Products only from Franchisor or its designee(s), and not to offer or sell any other items not approved by Franchisor at or from the Franchised Center. In connection with the manufacturing, handling, storage, transport and delivery of any Proprietary Products purchased from Franchisor, its affiliates or designee(s), Franchisee acknowledges that any action or inaction by any third party (e.g., a product manufacturer or an independent carrier) in connection with the manufacturing, handling, storage, transport and delivery of the Proprietary Products shall not be attributable to nor constitute negligence of Franchisor. Franchisee acknowledges and agrees the Franchisor and/or its affiliates may earn revenues on account of such sales of Proprietary Products to Franchisee.

8.9 **No Warranties.** Franchisee acknowledges that in purchasing or leasing supplies, equipment and/or materials from third party suppliers approved by Franchisor, **FRANCHISOR EXPRESSLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS AS TO THE CONDITION OF SAME, INCLUDING WITHOUT LIMITATION, EXPRESS OR IMPLIED WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR ANY INTENDED PURPOSE. FRANCHISEE AGREES TO LOOK SOLELY TO THE MANUFACTURER OR SUPPLIER OF SAME IN THE EVENT OF ANY DEFECTS THEREIN.**

8.10 **Inspections.** Franchisee shall permit Franchisor and its agents to enter upon the Premises at any time during normal business hours for the purpose of conducting inspections of the Premises and the operations of Franchisee. Franchisee shall cooperate with representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting other rights of Franchisor under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee the actual expenses of Franchisor in so acting, which shall be payable by Franchisee upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

8.11 **Trademarked Items.** Franchisee shall ensure that all advertising and promotional materials, signs, decorations, paper goods (including, without limitation, wrapping, packaging supplies, and all forms and stationery used in the Franchised Center), and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor. Franchisee shall place and illuminate all interior and exterior signs and décor items in accordance with Franchisor's specifications.

8.12 **Offerings and Pricing.** Franchisee shall sell or offer to sell only those products and services as approved by Franchisor. Such items shall be subject to change from time to time as Franchisor may determine solely in its discretion. Franchisee must obtain Franchisor's written approval for any contemplated changes, including all additions to and/or deletions of products and services sold in the Franchised Center. Moreover, Franchisor may, in the exercise of its reasonable business judgment and to the extent permitted by applicable law, establish specific prices for product and service offerings, or a range of acceptable prices, or minimum advertised pricing that, in any case, shall be adhered to by Franchisee and all other similarly situated Code Ninjas Centers.

8.13 **Customer Registration and Payment; Credit Card Fees.** Franchisee shall require that all of its customers register and pay for all approved products and services through Franchisor or its affiliate's online payment processing portal. Franchisee is strictly prohibited from accepting any payments directly from customers. Franchisee shall be responsible for all merchant services and processing fees charged in connection with payment processing for the Franchised Center. Franchisee acknowledges that Franchisor or its affiliates may directly charge and collect from any customer (including any customer of Franchisee) certain fees in connection with Franchisor's online registration process and payment system that are in addition to payment for products and services provided by the Franchised Center. Such fees charged and collected by Franchisor shall inure to the benefit of and be fully earned by Franchisor.

8.14 **Compliance.** Franchisee shall comply with all federal, state and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business licensed by this Agreement, including, without limitation, operation licenses, licenses to do business and fictitious name registration.

8.15 **Uniforms.** Franchisee shall be responsible for having all personnel employed by Franchisee wear standard related uniforms and attire during business hours in order to further enhance Franchisor's product and format. Franchisee shall be permitted to purchase such uniforms and attire from manufacturers or distributors approved by Franchisor, which uniforms and attire must be in strict accordance with Franchisor's design and other specifications.

8.16 **Governmental Requirements.** Franchisor and Franchisee understand and agree that the operation of the Franchised Center, maintenance of its Premises and equipment, conduct and appearance of its personnel, and the preparation and sale of products and services therefrom may be regulated by governmental statutes and regulations. To this end, the Franchisor and Franchisee agree that Franchisee owes an obligation to the patrons of the Franchised Center, Franchisor, and to itself, to fully and faithfully comply with all those applicable governing authorities, and all of the same are made a part of this Franchise Agreement as if fully set forth herein. In no way limiting the foregoing or Section 8.6.6, Franchisee shall comply with all applicable local, state and federal laws that require educators, learning center employees and others to obtain required background checks and fingerprinting.

8.17 **Prohibited Product Fine.** In the event Franchisee sells any products, premiums, novelty items, clothing, souvenirs or performs any services that Franchisor has not prescribed, approved or authorized, Franchisee shall (i) cease and desist offering or providing the unauthorized or unapproved product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to Franchisor, on demand, a prohibited product or service fine equal to Two Hundred Fifty Dollars (\$250) per day for each day such unauthorized or unapproved product, premium, novelty item, clothing, souvenir or service is offered or provided by Franchisee. The prohibited product or service fine shall be in addition to all other remedies available to Franchisor under this Agreement or at law.

8.18 **Participation in Promotions.** Franchisee shall participate in promotional programs developed by Franchisor for the System, in the manner directed by Franchisor in the Manuals or otherwise in writing. In no way limiting the foregoing, Franchisee agrees that if required by Franchisor:

8.18.1 Franchisee shall participate in all programs and services for frequent customers and other categories, which may include providing discount or complimentary products or services.

8.18.2 Franchisee shall sell or otherwise issue gift cards or certificates (together “**Gift Cards**”) that have been prepared utilizing the standard form of Gift Card provided or designated by Franchisor, and only in the manner specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall fully honor all Gift Cards that are in the form provided or approved by Franchisor regardless of whether a Gift Card was issued by Franchisee or another Code Ninjas Center. Franchisee shall sell, issue, and redeem (without any offset against any Royalty Fee or other contribution) Gift Cards in accordance with procedures and policies specified by Franchisor in the Manuals or otherwise in writing, including those relating to procedures by which Franchisee shall request reimbursement for Gift Cards issued by other Code Ninjas Centers and for making timely payment to Franchisor, other operators of Code Ninjas Centers, or a third-party service provider for Gift Cards issued from the Franchised Center that are honored by Franchisor or other Code Ninjas Center operators.

8.19 **Health/Standards.** Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Franchised Center under the Manuals and applicable health ordinances. Franchisee shall also comply with the requirements set forth in the Manuals for submitting to Franchisor a copy of a violation or citation relating to Franchisee’s failure to maintain any health or safety standards in the operation of the Franchised Center.

8.20 **Maintenance of Premises.** Franchisee shall maintain the Franchised Center and the Premises in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such repairs and replacements thereto (but no others without prior written consent of Franchisor) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor as Franchisor may reasonably direct.

8.21 **Ongoing Upgrades.** As set forth in Section 8.6.1, throughout the term of this Agreement, Franchisee shall maintain all fixtures, furnishings, equipment, decor, and signs as Franchisor may prescribe from time to time in the Manuals or otherwise in writing. Franchisee shall make such changes, upgrades, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor.

8.22 **Five-Year Refurbishment and Renovations.** At the request of Franchisor, but not more often than once every five (5) years, unless sooner required by Franchisee’s lease, Franchisee shall materially refurbish the Premises, at its expense, to conform to the Code Ninjas Center design, trade dress, color schemes, and presentation of the Proprietary Marks in a manner consistent with the then-current image for new Code Ninjas Centers. Such refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements, and shall be completed pursuant to such standards, specifications and deadlines as Franchisor may specify.

8.23 **Compliance with Lease.** Franchisee shall comply with all terms of its lease or sublease, its financing agreements (if any), and all other agreements affecting the operation of the Franchised Center; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor; and shall not engage in any activity which may jeopardize Franchisee’s right to remain in possession of, or to renew the lease or sublease for, the Premises.

8.24 **Obligations to Third Parties.** Franchisee must at all times pay its distributors, contractors, suppliers, trade creditors, employees, lessors, lenders, tax authorities, and other creditors, promptly as the debts and obligations to such persons become due. Failure to do so shall constitute a breach of this Agreement.

8.25 Notice of Legal Actions. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any suit to foreclose any lien or mortgage, or any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, including health agencies, which (i) relates to the operation of the Franchised Center, (ii) may adversely affect the operation or financial condition of the Franchised Center, or (iii) may adversely affect Franchisee's financial condition.

8.26 No Relocation. Franchisee shall not relocate the Franchised Center from the Approved Location without the prior written approval of Franchisor. If Franchisee desires to relocate the Franchised Center, the following terms and conditions shall apply:

8.26.1 Franchisee shall submit such materials and information as Franchisor may request for the evaluation of the requested plan of relocation. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval for relocation: (i) Franchisee not be in default under any provision of this Agreement, or any other agreement between Franchisee and Franchisor; (ii) the proposed substitute location meets Franchisor's then-current standards for Code Ninjas Centers; (iii) the lease (if applicable) for the proposed substitute location must comply with Franchisor's then-current lease requirements for Code Ninjas Centers (which may include the requirement that the lease contain certain terms and conditions, which may be different than, or in addition to, those terms Franchisor required as of the Effective Date with respect to the Approved Location), and Franchisee must obtain Franchisor's approval of the proposed lease; (iv) Franchisee must possess the financial resources to meet the costs associated with relocating; and (v) Franchisee shall execute a general release in favor of Franchisor in the form prescribed by Franchisor.

8.26.2 Any relocation of the Franchised Center shall be at Franchisee's sole cost and expense.

8.26.3 Franchisor shall have the right to charge Franchisee its then-current relocation fee plus additional costs and expenses incurred by Franchisor in connection with any approved relocation.

8.26.4 If, through no fault of Franchisee, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then Franchisee shall have forty-five (45) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the Premises, which approval shall not be unreasonably withheld.

8.26.5 Franchisee agrees that in the event of a relocation of the Franchised Center, Franchisee shall promptly remove from the first Franchised Center Premises, and discontinue using for any purposes, any and all signs, fixtures, furniture, posters, furnishings, equipment, advertising materials, stationery supplies, forms and other articles which display any of the Proprietary Marks or any distinctive features or designs associated with Code Ninjas Centers. Furthermore, Franchisee shall, at its expense, immediately make such modifications or alterations as may be necessary to distinguish the first Franchised Center so clearly from its former appearance and from other Code Ninjas Centers and to prevent any possibility of confusion therewith by the public (including, without limitation, removal of all distinctive physical and structural features identifying Code Ninjas Centers and removal of all distinctive signs and emblems). Franchisee shall, at its expense, make such specific additional changes as the Franchisor may reasonably request for this purpose. If Franchisee fails to initiate immediately or complete such alterations within such period of time as the Franchisor deems appropriate, Franchisee agrees that the Franchisor or its designated agents may enter the Premises of the first Franchised Center and adjacent areas at any time to make such alterations, at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or others, and without liability for trespass or other tort or criminal act. Franchisee expressly acknowledges that its failure to make such alterations will cause irreparable injury to the Franchisor and consents to entry, at Franchisee's expense, of an ex-parte order by

and court of competent jurisdiction authorizing the Franchisor or its agents to take such action, if the Franchisor seeks such an order. Compliance with the foregoing shall be a condition subsequent to the Franchisor's approval of any relocation request by Franchisee, and in the event complete de-identification of the first Franchised Center Premises is not promptly and completely undertaken, the Franchisor may then revoke its permission for relocation and declare a default under this Agreement.

8.27 Franchisee Advisory Councils. If Franchisor should, during the term of this Agreement, form or require the formation of a franchisee advisory council or association (hereinafter "**Advisory Council**") or such successor council to serve as an advisory council to Franchisor with respect to advertising, marketing, and other matters relating to franchised Code Ninjas Centers, Franchisee may be required to become a member of the Advisory Council. In such event, Franchisee shall pay to the Advisory Council all dues and assessments authorized by the Advisory Council and shall otherwise abide by the rules and regulations of the Advisory Council and shall at all times maintain its membership in the Advisory Council in good standing.

8.28 Changes to the System. Franchisee acknowledges and agrees that from time to time hereafter Franchisor may change or modify the System presently identified by the Proprietary Marks, as Franchisor deems appropriate, including without limitation to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Code Ninjas Centers. Changes to the System may include, without limitation, the adoption and use of new, modified, or substituted products, services, programs, standards, policies and procedures, forms, trade dress, equipment and furnishings and new techniques and methodologies, and (as described in Section 9 below) additional or substitute trademarks, service marks and copyrighted materials. Changes to the System may further include, without limitation, abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination; and modifying or substituting entirely the building, Premises, equipment, furnishings, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operational attributes which Franchisee is required to observe hereunder. Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Franchised Center any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Franchisor reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that Franchisor may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Franchisor deems to be important to the operation of any Code Ninjas Center or the System. Franchisee shall have no recourse against Franchisor on account of any variation to any franchisee and shall not be entitled to require Franchisor to provide Franchisee with a like or similar variation hereunder. Except as provided herein, Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications contemplated hereby. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, Franchisee expressly waives any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

8.29 Modifications Proposed by Franchisee. Franchisee shall not implement any change to the System (including the use of any product or supplies not already approved by Franchisor) without Franchisor's prior written consent. Franchisee acknowledges and agrees that, with respect to any change, amendment, or improvement in the System or use of additional product or supplies for which Franchisee requests Franchisor's approval: (i) Franchisor shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, (ii) Franchisor shall not be obligated to approve or accept any request to implement change,

and (iii) Franchisor may from time to time revoke its approval of a particular change or amendment to the System, and upon receipt of written notice of such revocation, Franchisee shall modify its activities in the manner described by Franchisor.

8.30 **Non-Disparagement.** Franchisee shall not communicate or publish, directly or indirectly, any disparaging comments or information about Franchisor during the term of this Agreement or thereafter. This provision shall include, but not be limited to, communication or distribution of information through the Internet via any Electronic Media, as defined herein.

9. **PROPRIETARY MARKS**

9.1 **Ownership.** Franchisor represents with respect to the Proprietary Marks that:

9.1.1 Franchisor is the owner of the Proprietary Marks.

9.1.2 Franchisee acknowledges that Franchisor has not made any representation or warranty to the effect that the Proprietary Marks which have not been registered with appropriate authorities shall be registered or are able to be registered therein, and the failure to obtain registrations of any of the Proprietary Marks shall not be deemed to be a breach of the terms of this Agreement by Franchisor. Moreover, Franchisee shall cooperate with Franchisor and its representatives, at Franchisor's expense, in the prosecution of any applications or registrations of any Proprietary Marks which have been filed with the appropriate authorities. Franchisor undertakes to keep Franchisee informed of the progress in obtaining registration of the Trademarks.

9.1.3 Franchisor will take all steps reasonably necessary to preserve and protect the ownership and validity in and to the Proprietary Marks.

9.2 **License to Franchisee.** Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement in connection with the operation of the Franchised Center, and any unauthorized use thereof shall constitute an infringement of rights of Franchisor. Nothing in this Agreement shall be construed as authorizing or permitting their use at any other location or for any other purpose except as may be authorized in writing by Franchisor.

9.3 **Terms of Franchisee's Usage.** With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

9.3.1 It shall use only the Proprietary Marks designated by Franchisor, and to use them only in the manner authorized and permitted by Franchisor. Further, Franchisee shall not use any confusingly similar Trademarks in connection with its franchise or any other business in which it has an interest;

9.3.2 It shall use the Proprietary Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in Franchisor-approved advertising for the business conducted at or from that location;

9.3.3 It shall operate and advertise the Franchised Center only under the name "Code Ninjas" and use the Proprietary Marks without prefix or suffix, unless otherwise authorized or required by Franchisor;

9.3.4 It shall not use the Proprietary Marks as part of its corporate or other legal name, or as part of any email address, domain name, or other identification of Franchisee in any electronic medium. Franchisee may, as necessary to conduct the business of the Franchised Center and to obtain

governmental licenses and permits for the Franchised Center, indicate that Franchisee shall be operating the Franchised Center under the trade name "Code Ninjas," provided that Franchisee shall also clearly identify itself as the owner and operator of the Franchised Center;

9.3.5 It shall identify itself as the owner of the Franchised Center (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations on the Premises as Franchisor may designate in writing;

9.3.6 It shall not use the Proprietary Marks in such a way as to incur any obligation or indebtedness on behalf of Franchisor; and

9.3.7 It shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. At Franchisor's request, Franchisee shall assign, transfer or convey to Franchisor, in writing, all additional rights, if any, that may be acquired by Franchisee as a result of its use of the Proprietary Marks.

9.4 **Franchisee Acknowledgments.** Franchisee expressly understands and acknowledges that:

9.4.1 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of Franchisor's right to use and to license others to use, the Proprietary Marks;

9.4.2 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

9.4.3 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of Franchisor, and, upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

9.4.4 The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others: (a) to use the Proprietary Marks itself; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee;

9.4.5 Franchisor reserves the right to approve all signs, memos, stationery, business cards, advertising material forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the Proprietary Marks shall be in accordance with this Agreement and the Manuals, and Franchisee shall obtain Franchisor's approval prior to such use;

9.4.6 Franchisor shall have the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder at the sole discretion of Franchisor. If it becomes advisable at any time, in the discretion of Franchisor, to modify or discontinue use of any Proprietary Mark and/or to adopt or use one or more additional or substitute Proprietary Marks, then Franchisee shall be obligated to comply with any such instruction by Franchisor. In such event and at Franchisor's direction, Franchisee shall adopt, use and display only such new or modified Proprietary Marks and shall promptly discontinue the use and display of outmoded or superseded Proprietary Marks, at Franchisee's expense. Franchisee waives any other claim arising from or relating to any Proprietary

Mark change, modification or substitution. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any proprietary mark addition, modification, substitution or discontinuation. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages;

9.4.7 Upon the expiration, termination or non-renewal of this Agreement, Franchisee shall immediately cease using the Proprietary Marks, color combinations, designs, symbols or slogans; and Franchisor may cause Franchisee to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination or non-renewal, Franchisee shall not represent or imply that it is associated with Franchisor. To this end, Franchisee irrevocably appoints Franchisor or its nominee to be Franchisee's attorney-in-fact to execute, on Franchisee's behalf, any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. Franchisee acknowledges and agrees that the unauthorized use of the Proprietary Marks will result in irreparable harm to Franchisor for which Franchisor may obtain injunctive relief, monetary damages, reasonable attorneys' fees and costs;

9.4.8 In order to develop and maintain high uniform standards of quality and service and to protect the reputation and goodwill of Franchisor, Franchisee agrees to do business and advertise using only the Proprietary Marks designated by the Franchisor. Franchisee shall not do business or advertise using any other name. Franchisee is not authorized to and shall not use the words "Code Ninjas" (a) by itself, (b) as a part of the legal name of any corporation, partnership, proprietorship or other business entity to which Franchisee is associated, or (c) with a bank account, trade account or in any legal or financial connection;

9.4.9 In order to preserve the validity and integrity of the Proprietary Marks, and to assure that Franchisee is properly employing them in the operation of Franchisee's business, Franchisor and its agents shall have the right at all reasonable times to inspect Franchisee's business, financial books and records, and operations. Franchisee shall cooperate with and assist Franchisor's representative in such inspections;

9.4.10 Franchisee shall be required to affix the ™ or ® symbol upon all advertising, publicity, signs, decorations, furnishings, equipment or other printed or graphic material employing the words "Code Ninjas" or any other of the Proprietary Marks, whether presently existing or developed in the future;

9.4.11 Franchisee acknowledges that it does not have any right to deny the use of the Proprietary Marks to any other franchisees. In consideration therefore, Franchisee shall execute all documents and take such action as may be requested to allow Franchisor or other franchisees to have full use of the Proprietary Marks;

9.4.12 If, during the term of this Agreement, there is a claim of prior use of any of the Proprietary Marks in the area in which Franchisee is doing business or in another area or areas, Franchisee shall so use any of Franchisor's other Proprietary Marks in such a way and at Franchisor's discretion in order to avoid a continuing conflict;

9.4.13 Franchisee shall immediately notify Franchisor of any apparent infringement of or challenge to Franchisee's use of the Proprietary Marks, or any claim, demand, or suit based upon or arising from the unauthorized use of, or any attempt by any other person, firm, or corporation to use, without authorization, or any infringement of or challenge to, any of the Proprietary Marks. Franchisee also agrees to immediately notify Franchisor of any other litigation instituted by any person, firm, corporation or governmental entity against Franchisor or Franchisee;

9.4.14 Franchisor shall undertake the defense or prosecution of any litigation concerning Franchisee that relates to any of the Proprietary Marks or that, in Franchisor's judgment, may affect the goodwill of the System; and Franchisor may, in such circumstances, undertake any other action which it deems appropriate. Franchisor shall have sole and complete discretion in the conduct of any defense, prosecution or other action it chooses to undertake. In that event, Franchisee shall execute those documents and perform those acts which, in the opinion of Franchisor, are necessary for the defense or prosecution of the litigation or for such other action as may be undertaken by Franchisor; and

9.4.15 Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, all damages for which it is held liable in any proceeding in which Franchisee's use of any Proprietary Mark pursuant to and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by Franchisee in the defense of any such claim brought against it or in any such proceedings in which it is named as a party, provided that Franchisee has timely notified the Franchisor of such claim or proceedings, has otherwise complied with this Agreement and has tendered complete control of the defense of such to the Franchisor. If the Franchisor defends such claim, the Franchisor shall have no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee.

10. **MANUALS**

10.1 **The Manuals and Furnishings to Franchisee.** In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Franchised Center in accordance with the standards, specifications, methods, policies, and procedures specified in the Manuals, which Franchisee shall receive on loan from Franchisor, in a manner chosen by Franchisor, via electronic access, hard copy volumes, computer disks, videotapes, or otherwise, including such amendments thereto, as Franchisor may publish from time to time, upon completion by Franchisee of initial training. Franchisee expressly acknowledges and agrees that Franchisor may provide a portion or all (including updates and amendments) of the Manuals, and other instructional information and materials in, or via, electronic media, including without limitation, the use of the Internet.

10.2 **The Manuals are Proprietary and Confidential.** Franchisee shall treat the Manuals, any other materials created for or approved for use in the operation of the Franchised Center, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. Franchisee shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by the Franchisor.

10.3 **The Manuals Remain Franchisor's Property.** The Manuals shall remain the sole property of Franchisor and shall be accessible only from a secure place on the Premises, and shall be returned to Franchisor, as set forth in Section 17.8 below, upon the termination or expiration of this Agreement.

10.4 **Revisions to the Manuals.** Franchisor may from time to time revise the contents of the Manuals to improve or maintain the standards of the System and the efficient operation thereof, or to protect or maintain the goodwill associated with the Proprietary Marks or to meet competition, and Franchisee expressly agrees to comply with each new or changed standard. Franchisee shall insure that the Manuals are kept current at all times. In the event of any dispute as to the contents of the Manuals, the terms of the master copies maintained at the home office of Franchisor shall be controlling.

10.5 **Part of Agreement.** From the date of the opening of the Franchised Center, the mandatory specifications, standards and operating procedures prescribed by Franchisor and communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. All

references herein to this Agreement shall include the provisions of the Manuals and all such mandatory specifications standards and operating procedures.

11. CONFIDENTIAL INFORMATION

11.1 **Agreement with respect to Confidentiality.** Franchisee acknowledges and agrees that it shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or know-how concerning Franchisor, the System, and/or the marketing, management or operations of the Franchised Center that may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Center. Any and all information, knowledge, know-how, and techniques which Franchisee learns in connection with the System and/or the marketing, management or operations of the Franchised Center shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

11.1 **Individual Covenants of Confidentiality.** Franchisee shall require its manager(s) and any personnel having access to any confidential information of Franchisor to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchised Center. Such covenants shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them, the current form of which is attached as Exhibit E.

11.2 **Remedies for Breach.** Franchisee acknowledges that any failure to comply with the requirements of this Section 11 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

11.3 **Grantback.** Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques and products conceived or developed by Franchisee, its affiliates, owners or employees during the term of this Agreement relating to the development and/or operation of the Franchised Center. Franchisee hereby grants to Franchisor and agrees to procure from its affiliates, owners or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques in all Code Ninjas Center businesses operated by Franchisor or its affiliates, franchisees and designees. Franchisor shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining Franchisor's prior written approval.

12. ACCOUNTING AND RECORDS

12.1 **Books and Records.** With respect to the operation and financial condition of the Franchised Center, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall maintain for a period of not less than seven (7) years during the term of this Agreement, and, for not less than seven (7) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing, including but not limited to: (i) daily transaction reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements and weekly payroll

journal and schedule; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) suppliers' invoices (paid and unpaid); (vii) dated daily and weekly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; and (ix) such other records as Franchisor may from time to time request.

12.2 **Franchisee's Reports to Franchisor.** In addition to the Sales Reports required pursuant to Section 4.3 above, Franchisee shall:

12.2.1 Prepare by the twentieth (20th) day of each calendar month a balance sheet, profit and loss statement, cash flow statement and an activity report for the last preceding calendar month, which shall be in the form prescribed by Franchisor. Franchisee shall maintain and submit such statements and reports to Franchisor at the times as Franchisor may designate or otherwise request.

12.2.2 Submit to Franchisor on April 15th of the year following the end of each calendar year, unless Franchisor designates in writing a different due date, during the term of this Agreement, a profit and loss statement for such year and a balance sheet as of the last day of such year, prepared on an accrual basis in accordance with U.S. generally accepted accounting principles ("GAAP"), including but not limited to all adjustments necessary for fair presentation of the financial statements. Franchisee shall certify such financial statements to be true and correct. Additionally, Franchisor reserves the right to require Franchisee to prepare (or cause to be prepared) and provide to Franchisor annual financial statements, (that includes a fiscal year-end balance sheet, an income statement of the Franchised Center for such fiscal year reflecting all year-end adjustments, and a statement of changes in cash flow of Franchisee), and to require that such statements be prepared on a review basis by an independent certified public accountant (who Franchisor may require to be retained in accordance with Section 4.7). Franchisee shall provide such additional information, if any, as Franchisor may reasonably require in order for Franchisor to meet its obligations under GAAP.

12.2.3 Franchisee shall maintain its books and records, and provide all statements and reports to Franchisor, using the standard statements, templates, categories, and chart of accounts that Franchisor provides to Franchisee.

12.2.4 Submit to Franchisor such other periodic reports, forms and records as specified, and in the manner and at the time as specified in the Manuals or as Franchisor shall otherwise require in writing from time to time (including without limitation the requirement that Franchisee provide or make available to Franchisor certain sales and financial information in electronic format and/or by electronic means).

12.3 **Inspection and Audit.** Franchisor and its agents shall have the right at all reasonable times to examine and copy, at the expense of Franchisor, the books, records, accounts, and/or business tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any contributions or payments have been understated in any statement or report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any statement or report of three percent (3%) or more, Franchisee shall, in addition to repayment of monies owed with interest, reimburse Franchisor for any and all costs and expenses connected with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

13. MARKETING AND PROMOTION

13.1 **Franchisee's Advertising Obligations.** Recognizing the value of marketing and promotion, and the importance of the standardization of marketing and promotion programs to the furtherance of the goodwill and public image of the System, Franchisee and Franchisor agree as follows:

13.1.1 Franchisor reserves the right to require that Franchisee, during each week (except for expenditures on local advertising and promotion, which shall be measured on an annual basis), spend and/or contribute on advertising and promotion amounts, which, in the aggregate, are equal to three percent (3%) of Franchisee's Net Sales during the preceding week to advertise and to promote the Franchised Center (together, the "**Advertising Obligation**"). The Advertising Obligation shall be in the form of expenditures by Franchisee on "local advertising and promotion" pursuant to Section 13.2.

13.1.2 The Advertising Obligation is the minimum requirement only, and Franchisee may, and is encouraged to, expend additional funds for marketing and promotion. In addition to the Advertising Obligation, Franchisee shall undertake and complete the Grand Opening Advertising Program, as provided in Section 13.3 below.

13.2 **Local Advertising.** Franchisee shall comply with the following with respect to "local advertising and promotion" for the Franchised Center:

13.2.1 Franchisee shall spend on an annual basis such amounts as Franchisor may specify in accordance with Section 13.1 above. Franchisee shall account for such expenditures on a routine basis and shall prepare, in accordance with the schedule and procedures specified by Franchisor from time to time, detailed reports describing the amount of money expended on local advertising and promotion during such previous period. Franchisee shall maintain all such statements, reports and records, and shall submit same to Franchisor as Franchisor may specify in the Manuals or otherwise request of Franchisee. Additionally, at the request of Franchisor, Franchisee shall submit bills, statements, invoices, or other documentation satisfactory to Franchisor to evidence Franchisee's advertising or marketing activities.

13.2.2 As used in this Agreement, the term "**local advertising and promotion**" shall refer to advertising and promotion related directly to the Franchised Center, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including, but not limited to, advertising agency fees and expenses, cash and "in-kind" promotional payments to landlords, postage, shipping, telephone, and photocopying), and such other activities and expenses as Franchisor, in its sole discretion, may specify. Franchisor may provide to Franchisee, in the Manuals or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "local advertising and promotion," including, without limitation, the value of advertising coupons, and the costs of products provided for free or at a reduced charge for charities or other donations.

13.2.3 Upon written notice to Franchisee, Franchisor may require Franchisee to participate in mandatory promotions as Franchisor may develop and implement from time to time.

13.3 **Grand Opening Advertising.** In addition to the Advertising Obligation, Franchisee shall expend a minimum of Five Thousand Dollars (\$5,000) for grand opening advertising and promotional programs in conjunction with the Franchised Center's initial grand opening, pursuant to a grand opening marketing plan developed by Franchisor or developed by Franchisee and approved in writing by Franchisor (the "**Grand Opening Advertising Program**"). The Grand Opening Advertising Program shall be executed and completed within ninety (90) days after the Franchised Center commences operation. Franchisee shall submit to Franchisor, for Franchisor's prior written approval, a marketing plan and samples

of all advertising and promotional material not prepared or previously approved by Franchisor. For the purpose of this Agreement, the Grand Opening Advertising Program shall not be considered local advertising and promotion, as provided under Section 13.2 above. Franchisor reserves the right to require Franchisee to deposit with Franchisor the funds required under this Section 13.3 to distribute as may be necessary to conduct the Grand Opening Advertising Program.

13.4 Standards for Advertising. All advertising, marketing and promotion to be used by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any marketing or promotional plans or materials that are not provided by Franchisor unless and until Franchisee has submitted the materials to Franchisor, pursuant to the procedures and terms set forth in Section 13.5 herein.

13.5 Franchisor's Approval of Proposed Plans and Materials. If Franchisee desires to use marketing and promotional plans and materials that have not been provided or previously approved by Franchisor, Franchisee shall submit samples of all such marketing and promotional plans and materials to Franchisor (as provided in Section 24 herein) for prior approval (including prices to be charged). If written notice of approval is not received by Franchisee from Franchisor within five (5) business days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have not approved them.

13.6 Ownership of Advertising Plans and Materials. Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee which bear the Proprietary Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Center or the System and approved by Franchisor may be used by Franchisor and other operators under the System of Franchisor without any compensation to Franchisee.

14. INSURANCE

14.1 Insurance. Franchisee shall procure at its expense and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting Franchisee and Franchisor, and their officers, directors, partners and employees against any loss, liability, personal injury, death, or property damage or expense whatsoever arising or occurring upon or in connection with Franchisee's operations and the Franchised Center, as Franchisor may reasonably require for its own and Franchisee's protection. Franchisor and such of its respective affiliates shall be named additional insured in such policy or policies.

14.2 Coverages. Such policy or policies shall be written by an insurance company satisfactory to Franchisor in accordance with standards and specifications set forth in the Manuals or otherwise in writing; provided, however, that Franchisor shall have the right to designate from time to time, one or more insurance companies as the insurance carrier(s) for Code Ninjas Centers, and if required by Franchisor, Franchisee shall obtain its insurance coverage from the designated insurance company (or companies). The policy or policies shall include, at a minimum (except different coverages, umbrella coverages, and policy limits as may reasonably be specified for all Franchisees from time to time by Franchisor in the Manuals or otherwise in writing) the following:

14.2.1 Builder's risk insurance that satisfies the standards and specifications set forth by Franchisor in the Manuals or otherwise in writing to cover any period(s) of renovation or construction at the Franchised Center.

14.2.2 All risk coverage insurance on (i) all personal property covering the Franchised Center and Premises and contents thereof, including, without limitation, all supplies, inventory, fixtures, and equipment, containing a replacement value endorsement in an amount equal to the full replacement value thereof; and (ii) business interruption insurance for actual loss Franchisee sustains for twelve (12) months, or not less than fifty percent (50%) of annual Net Sales.

14.2.3 Worker's compensation and employer's liability insurance of \$500,000 / \$500,000 / \$500,000 as well as such other insurance as may be required by statute or rule of the state in which the Franchised Center is located and operated.

14.2.4 Comprehensive general liability insurance with limits of at least One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) general aggregate, and product liability insurance with limits of at least Two Million Dollars (\$2,000,000) general aggregate including the following coverages: Employer's liability and abuse and molestation coverage; professional liability, personal injury (employee and contractual inclusion deleted); products/completed operation; assault and battery; terrorism; and tenant's legal liability with limits of at least Three Hundred Thousand Dollars (\$300,000). All such coverages insuring Franchisor and Franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Franchised Center. The required coverage amounts herein may be modified from time to time by Franchisor to reflect inflation or future experience with claims.

14.2.5 Automobile liability insurance including owned (if applicable), non-owned, and hired vehicle coverage (mandatory), and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least One Million Dollars (\$1,000,000) combined single limit, and One Million Dollars (\$1,000,000) general aggregate limit.

14.2.6 Excess liability coverage over general liability, auto liability, worker's compensation, and abuse/molestation, with at least Three Million Dollars (\$3,000,000) per occurrence.

14.2.7 Such insurance and types of coverage as may be required by the terms of any lease for the Premises, or as may be required from time to time by Franchisor.

14.2.8 The insurance shall cover the acts or omissions of each and every one of the persons who perform services of whatever nature at the Franchised Center, and shall protect against all acts of any persons who patronize the Franchised Center and shall contain a waiver of subrogation against Franchisor. Franchisee shall immediately notify Franchisor, in writing, of any accidents, injury, occurrence or claim that might give rise to a liability or claim against Franchisor or which could materially affect Franchisee's business, and such notice shall be provided no later than the date upon which Franchisee notifies its insurance carrier.

14.3 **Certificates of Insurance.** The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor. Prior to commencing any renovations or construction at the Franchised Center, Franchisee shall provide Franchisor with a Certificate of Insurance for the builder's risk insurance required under Section 14.2.1. At least thirty (30) days prior to the opening of the Franchised Center, and thereafter on an annual basis, Franchisee shall provide Franchisor with a Certificate of Insurance showing compliance with the foregoing requirements (except with respect to the builder's risk insurance, which shall have already been in effect

pursuant to Section 14.2.1 above). Such certificate shall state that said policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by Franchisee of the obligations under this Paragraph shall not relieve Franchisee of liability under the indemnity provision set forth in this Agreement. Franchisee acknowledges that minimum limits as required above may be modified by Franchisor in its sole discretion from time to time, by written notice to Franchisee.

14.4. **Franchisor's Right to Procure Insurance for Franchisee.** Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

15. **TRANSFER OF INTEREST**

15.1 **Franchisor's Rights to Transfer.** Franchisor shall have the right, without the need for Franchisee's consent, to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, provided that any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Upon any such transfer or assignment, Franchisor shall be under no further obligation hereunder, except for accrued liabilities, if any. If Franchisor transfers or assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the "Code Ninjas Center" business or to offer or sell any products or services to Franchisee. In addition, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may sell its assets, its Proprietary Marks, its Proprietary Products, or its System; may sell its securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring.

15.2 **No Transfers Without Franchisor's Approval.** Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee or the Principals of Franchisee, if Franchisee is not an individual, and that Franchisor has granted this franchise in reliance on Franchisee's or Franchisee's Principals' business skill, financial capacity, and personal character. Accordingly:

15.2.1 Franchisee shall not, without the prior written consent of Franchisor, transfer, pledge, or otherwise encumber: (a) the rights and/or obligations of Franchisee under this Agreement; or (b) any material asset of Franchisee or the Franchised Center.

15.2.2 If Franchisee is a corporation or limited liability company, Franchisee shall not, without the prior written consent of Franchisor, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become a Principal under this Agreement, if so approved by Franchisor.

15.2.3 If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall automatically be deemed a Principal under this Agreement.

15.2.4 A Principal shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber any ownership interest of the Principal in Franchisee, as such is identified in Exhibit B.

15.3 **Conditions on Transfer.** Franchisor shall not unreasonably withhold any consent required by Section 15.2 above. However, if the proposed transfer alone or together with other previous, simultaneous, or proposed transfers would: (a) have the effect of changing control of Franchisee; (b) result in the assignment of the rights and obligations of Franchisee under this Agreement; or (c) transfer the ownership interest in all or substantially all of the assets of the Franchised Center, Franchisor shall have the right to require any or all of the following as conditions of its approval:

15.3.1 All of Franchisee's monetary obligations and all other outstanding obligations to Franchisor, its affiliates, and the approved suppliers of the System have been satisfied in full, and the Franchised Location must be open and operating for business in accordance with the terms herein, provided, if Franchisee is also transferring any area development rights pursuant to an area development agreement with Franchisor, the first Code Ninjas Center under that agreement must be open and operating;

15.3.2 Franchisee shall not be in default under any provision of this Agreement, any other agreement between Franchisee and Franchisor or its affiliate, any approved supplier of the System, or the lessor (or sublessor) of the Premises;

15.3.3 Each transferor (and, if the transferor is other than an individual, the transferor and such owners of beneficial interest in the transferor as Franchisor may request) shall have executed a general release in a form satisfactory to Franchisor of any and all claims against Franchisor and its affiliates and their respective officers, directors, agents, and employees;

15.3.4 The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in Franchisee. Additionally, the transferee and/or such owners of the transferee as Franchisor may request shall guarantee the performance of the transferee's obligations in writing in a form satisfactory to Franchisor;

15.3.5 The transferee shall demonstrate to Franchisor's satisfaction that the terms of the proposed transfer do not place an unreasonable financial or operational burden on the transferee, and that the transferee (or, if the transferee is other than an individual, such owners of beneficial interest in the transferee as Franchisor may request) meets Franchisor's then-current application qualifications (which may include educational, managerial, socially responsible and business standards, as well as good moral character, business reputation, and credit rating); has the aptitude and ability to operate the Franchised Center; absence of conflicting interests; and has adequate financial resources and capital to operate the Franchised Center;

15.3.6 At Franchisor's option, the transferee (and, if the transferee is not an individual, such Principals of the transferee as Franchisor may request) shall execute the form of franchise agreement then being offered to new System franchisees, and such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, higher and/or additional fees;

15.3.7 If so requested by Franchisor, the transferee, at its expense, shall upgrade the Franchised Center, and other equipment to conform to the then-current standards and specifications of new Code Ninjas Centers then being established in the System, and shall complete the upgrading and other requirements within the time specified by Franchisor;

15.3.8 The transferor shall remain liable for all of the obligations to Franchisor in connection with the Franchised Center that arose prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

15.3.9 The transferee (and, if the transferee is not an individual, such Principals of the transferee as Franchisor may request) and the transferee's manager (if applicable) shall, at the transferee's expense, successfully attend and successfully complete any training programs then in effect for operators and managers upon such terms and conditions as Franchisor may reasonably require;

15.3.10 Franchisee shall pay a transfer fee in an amount equal of Five Thousand Dollars (\$5,000.00) to compensate Franchisor for its expenses incurred in connection with the transfer; and

15.3.11 The transferor(s), at the request of Franchisor, shall agree in writing to comply with the covenants set forth in Section 18 below.

15.4 **Additional Terms.** For any transfer not covered by Section 15.3, each transferee (and, if the transferee is not an individual, such Principals of the transferee as Franchisor may request) shall, in addition to the requirement of obtaining Franchisor's consent as provided in Section 15.2, be subject to the requirements of Sections 15.3.3 and 15.3.4 above (with respect to execution of releases and personal guarantees).

15.5 **Security Interests.** Neither Franchisee nor any Principal shall grant a security interest in, or otherwise encumber, any of the assets or securities of Franchisee, including the Franchised Center unless Franchisee satisfies the requirements of Franchisor, which include, without limitation, execution of an agreement by the secured party in which it acknowledges the creditor's obligations under this Section 15, and agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness resulting from Franchisee's default shall be void.

15.6 **Right of First Refusal.** If Franchisee or any Principal desires to accept any *bona fide* offer from a third party to purchase Franchisee, any material asset of Franchisee, or any direct or indirect interest in Franchisee, Franchisee or such Principal shall promptly notify Franchisor, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of the written transfer request and the required information and documentation related to the offer (including any information that Franchisor may reasonably request to supplement or clarify information provided to Franchisor with the written transfer request), to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party; provided, however, a spouse, domestic partner, parent or child of the seller shall not be considered a third party for purposes of this Section 15.6. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within forty-five (45) days from the date of notice to the seller of the election to purchase by Franchisor; or, if longer, on the same timetable as contained in the *bona fide* offer.

15.6.1 Any material change thereafter in the terms of the offer from the third party or by Franchisee, or a change in the identity of the third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 15.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 15, with respect to a proposed transfer.

15.6.2 If the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions,

then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, Franchisor shall designate an independent appraiser to make a binding determination. The cost of any such appraisal shall be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this Section 15.6, Franchisor shall have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

15.7 Death of a Principal. Upon the death of a Principal, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third party acceptable to and approved by Franchisor within twelve (12) months after the death.

15.8 Permanent Disability of Controlling Principal. Upon the Permanent Disability of any Principal with a controlling interest in Franchisee, Franchisor shall have the right to require such interest to be transferred to a third party in accordance with the conditions described in this Section 15 within six (6) months after notice to Franchisee. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months; and from which recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent Disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 15.8 as of the date of refusal. Franchisor shall pay the cost of the required examination.

15.9 Notice to Franchisor of Death or Permanent Disability. Upon the death or Permanent Disability of Franchisee or any Principal of Franchisee, such person or his representative shall promptly notify Franchisor of such death or claim of Permanent Disability. Any transfer upon death or Permanent Disability shall be subject to the same terms and conditions as any *inter vivos* transfer.

15.10 Limited Exceptions. Notwithstanding anything to the contrary in this Section 15:

15.10.1 Franchisee shall not be required to pay the transfer fee due under Section 15.3.10 above, if the transferee: (a) is a spouse, parent, or direct lineal descendant or sibling of Franchisee or of a Principal of Franchisee (or more than one of such persons), provided that the transferee has been involved in, and is knowledgeable regarding, the operations of the Franchised Center; (b) is a Principal of Franchisee; or (c) is a transferee under Sections 15.7 or 15.8 above.

15.10.2 If Franchisee is an individual and seeks to transfer this Agreement to a corporation, partnership, or limited liability company formed for the convenience of ownership, the conditions of Sections 15.3.6 (signing a new franchise agreement), 15.3.7 (upgrading the Franchised Center), and 15.3.10 (transfer fee) shall not apply, and Franchisee may undertake such transfer, provided that: (a) Franchisee owns one hundred percent (100%) of the equity interest in the transferee entity; (b) Franchisee and any other Principal(s) personally guarantee, in a written guaranty satisfactory to Franchisor, the performance of the obligations of the Franchisee under the Franchise Agreement; (c) Franchisee executes a Transfer of Franchise form as prescribed and approved by Franchisor; (d) such transferee entity is newly organized and its business purpose is confined exclusively to operating the Franchised Center under this Agreement; and (e) Franchisee and any other Principal(s) execute any and all other ancillary agreements as Franchisor may require.

15.11 Securities Offerings. All materials required for any offering of securities or partnership interests in Franchisee by federal or state law shall be submitted to Franchisor by the offeror for review prior to filing with any government agency; and any materials to be used in any exempt offering shall be

submitted to Franchisor for review prior to their use. No offering shall imply, by use of the Proprietary Marks or otherwise, that Franchisor is participating in an underwriting, issuance, or offering of securities of either Franchisee or Franchisor; and review by Franchisor of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. At its option, Franchisor may require the offering materials to contain written statements or disclaimers prescribed by Franchisor including, but not limited to, any limitations stated above in this paragraph. Franchisee and the other participants in the offering must fully indemnify Franchisor in connection with the offering. For each proposed offering, Franchisee shall reimburse Franchisor for its actual costs and expenses associated with reviewing the proposed offering materials, including legal and accounting fees. Franchisee shall give Franchisor written notice at least sixty (60) days prior to the date of commencement of any offering or other transaction covered by this Section 15.11. Any such offering shall be subject to prior written consent of Franchisor and right of first refusal as provided in Section 15.6.

15.12 **No Waiver**. The consent of Franchisor to any transfer pursuant to this Section 15 shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be a waiver of the right of Franchisor to demand exact compliance with any of the terms of this Agreement by any transferor or transferee.

15.13 **Bankruptcy**. If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of the ownership of Franchisee, Franchisee's obligations and/or rights hereunder and/or any material assets of Franchisee, shall be subject to all of the terms of this Section 15.

15.14 **No Transfers in Violation of Law**. Notwithstanding anything to the contrary in this Agreement, no transfer shall be made if the transferee, any of its affiliates, or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

16. **DEFAULT AND TERMINATION**

16.1 **Pre-termination Options**. Before the termination of this Agreement, if Franchisee fails to pay any amounts owed to Franchisor or its affiliates, fail to comply with any term of this Agreement, fails to comply with any term of its real estate lease for the Premises or fail to notify Franchisor that the Franchised Location is closing, then in addition to Franchisor's right to terminate this Agreement or to bring a claim for damages, Franchisor has the option to:

- 16.1.1 remove the listing of the Franchised Location from all advertising published or approved by Franchisor;
- 16.1.2 cease listing the Franchised Location on Websites and social media, and to discontinue any links to any site or page for the Franchised Location;
- 16.1.3 prohibit Franchisee from attending any meetings or programs held or sponsored by Franchisor;
- 16.1.4 terminate Franchisee's access to any computer system or software Franchisor owns, maintains, or licenses to Franchisee (whether licensed by Franchisor or by one of its affiliates);
- 16.1.5 suspend all services Franchisor or its affiliates provide to Franchisee under this Agreement or otherwise; and

16.1.6 contact Franchisee's landlords, lenders, suppliers, and customers about the status of Franchisee's operations and provide copies of any default or other notices to Franchisee's landlords, lenders, and suppliers.

1. Franchisor's actions, as outlined in this Section, may continue until Franchisee has brought its accounts current, cured any default, and complied with Franchisor's requirements, and Franchisor has acknowledged the same in writing. The taking of any of the actions permitted in this Section will not suspend or release Franchisee from any obligation that would otherwise be owed to Franchisor or its affiliates under the terms of this Agreement or otherwise. Further, Franchisee acknowledges that the taking of any or all these actions on Franchisor's part will not deprive Franchisee of the most essential benefits of this Agreement, and will not constitute a constructive termination of this Agreement.

2. In addition to Franchisor's right to terminate the Franchise Agreement, if Franchisee breaches its obligations under this Agreement and fails to cure the default within the applicable cure period provided above, Franchisee must pay Franchisor its then-current "Standard Default Fee" on a monthly basis until the default is cured in order to offset its costs incurred to address the default.

16.2 **Automatic Termination.** Franchisee shall be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Center shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.3 **Termination Upon Notice.** Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately by giving written notice to Franchisee (in the manner provided under Section 24 hereof), upon the occurrence of any of the following events:

16.3.1 If Franchisee fails to complete all pre-opening obligations and to open the Franchised Center within the time limits as provided in Section 5.4 above;

16.3.2 If Franchisee or any of its Principals is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or the interest of Franchisor therein, or if Franchisee, any of its Principals or any of its employees violate the terms of Section 8.6.6;

16.3.3 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Center;

16.3.4 If Franchisee's action or inaction, at any time, results in the loss of the right to possession of the Premises, or forfeiture of the right to do or transact business in the jurisdiction where the Franchised Center is located;

16.3.5 If Franchisee or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 15 hereof;

16.3.6 If Franchisee knowingly maintains false books or records, or knowingly submits any false statements or reports to Franchisor;

16.3.7 If, contrary to the terms of Sections 9 or 10 hereof, Franchisee discloses or divulges the contents of the Manuals or other confidential information provided to Franchisee by Franchisor;

16.3.8 If Franchisee fails to comply with the covenants in Section 18.2 below or fails to timely obtain execution of the covenants required under Section 18.5 below;

16.3.9 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or if Franchisee otherwise operates the Franchised Center in a manner that materially impairs the reputation or goodwill associated with the System, Proprietary Marks, or the rights of Franchisor therein;

16.3.10 If Franchisee, after curing a default pursuant to Sections 16.4 or 16.5 hereof, commits the same default again, whether or not cured after notice.

16.3.11 If Franchisee commits three (3) or more defaults under this Agreement in any twelve (12) month period, whether or not each such default has been cured after notice (this provision in no way limits Section 16.3.10 above);

16.3.12 If Franchisee at any time ceases to operate for twenty-four (24) hours), or otherwise abandons the Franchised Center, unless such closure is approved in writing by Franchisor, or excused by *force majeure*;

16.3.13 If Franchisee (i) fails to obtain, (ii) is unable to renew, or (iii) has revoked or loses for any reason, a proper visa granting Franchisee the right to enter and work in the United States, or if Franchisee is otherwise unable, for any reason whatsoever, to enter and work in the United States;

16.3.14 If Franchisee breaches any material provision of this Agreement which breach is not susceptible to cure.

16.4 Notice and Opportunity to Cure - 7 Days. Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 hereof) stating the nature of the default to Franchisee at least seven (7) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to the satisfaction of Franchisor, and by promptly providing proof thereof to Franchisor within the seven (7) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the seven (7) day period or such longer period as applicable law may require.

16.4.1 If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its affiliates when due;

16.4.2 If Franchisee refuses to permit Franchisor to inspect the Premises, or the books, records, or accounts of Franchisee upon demand; or

16.4.3 If Franchisee fails to operate the Franchised Center during such days and hours specified in the Manuals (this provision in no way limits Section 16.3.12).

16.4.4 If Franchisee fails to afford Franchisor unimpeded access to Franchisee's Computer System and Required Software in violation of Section 7.1.5.

16.5 **Notice and Opportunity to Cure - 30 Days.** Except as otherwise provided in Sections 16.2, 16.3 and 16.4 of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 hereof) stating the nature of the default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to the satisfaction of Franchisor, and by promptly providing proof thereof to Franchisor within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

16.6 **Cross Defaults.** Any default by Franchisee under this Agreement may be regarded as a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any affiliate of Franchisee). Any default by Franchisee under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any affiliate of Franchisee) may be regarded as a default under this Agreement.

17. **OBLIGATIONS UPON TERMINATION OR EXPIRATION**

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall terminate, and:

17.1 **Stop Operating.** Franchisee shall immediately cease to operate the Franchised Center, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor in connection with the promotion or operation of any other business.

17.2 **Stop Using the System.** Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System; the Proprietary Mark "Code Ninjas" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to use all signs, marketing materials, displays, stationery, forms, products, and any other articles which display the Proprietary Marks.

17.3 **Cancel Assumed Names.** Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark "Code Ninjas" or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

17.4 **The Premises.** Franchisee shall, at the option of Franchisor, assign to Franchisor any interest which Franchisee has in any lease or sublease for the Premises. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Premises, Franchisee shall make such modifications or alterations to the Premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of a Code Ninjas Center under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 17.4, Franchisor shall have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. Additionally, if Franchisor does not elect to exercise the option to acquire the lease/sublease, Franchisee shall comply with Section 18.3 below regarding a Competitive Business (as defined in Section 18.2.3 below).

17.5 **Phone Numbers and Directory Listings.** In addition, Franchisee shall cease use of all telephone numbers and any domain names, Websites, email addresses, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating the Franchised Center, and shall promptly execute such documents or take such steps necessary to remove reference to the Franchised Center from all trade or business telephone directories, including "yellow" and "white" pages and any online directories, or at Franchisor's request transfer same to Franchisor. Franchisee hereby authorizes Franchisor to instruct issuers of any telephone and internet domain name services, and other providers to transfer any such telephone numbers, domain names, Websites, addresses, and any other identifiers to Franchisor upon termination of this Agreement, without need for any further approval from Franchisee. Without limiting the foregoing, Franchisee hereby agrees to execute a Telephone Number Assignment and Power of Attorney form attached to this Agreement as Exhibit F in order to implement this Section 17.5.

17.6 **No Use of Proprietary Marks or Trade Dress in other Businesses.** Franchisee agrees, in the event it continues to operate, or subsequently begins to operate, any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in the sole discretion of Franchisor, is likely to cause confusion, mistake, or deception, or which, in the sole discretion of Franchisor, is likely to dilute the rights of Franchisor in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description, or representation (including but not limited to reference to Franchisor, the System, or the Proprietary Marks) which, in the sole discretion of Franchisor, suggests or represents a present or former association or connection with Franchisor, the System, or the Proprietary Marks.

17.7 **Pay Franchisor All Amounts Due.** Franchisee shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include, without limitation, all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default and termination, which obligation shall give rise to, and remain until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the Premises at the time of default.

Upon termination of this Agreement by reason of a default by Franchisee, Franchisee agrees to pay to Franchisor within fifteen (15) days after the effective date of termination, in addition to the amounts owed hereunder, liquidated damages equal to an amount of Five Hundred Dollars (\$500.00) per month for the number of months remaining in the Franchise Agreement had it not been terminated.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the loss of cash flow due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the fees would have grown over what would have been this Agreement's remaining term. The parties

hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages, and not a penalty.

The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from specific listed fees. It does not cover any other damages, including damages to Franchisor's reputation with the public and landlords and damages arising from a violation of any provision of this Agreement. Franchisee agrees that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the sections requiring payment of Royalty Fees.

17.8 Return of Manuals and Confidential Information. Franchisee shall, at its own expense, immediately deliver to Franchisor the Manuals and all other records, computer disks, correspondence, and instructions containing confidential information relating to the operation of the Franchised Center (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor. Upon Franchisor's demand, Franchisee shall, at its own expense and without compensation from Franchisor, return to Franchisor any Proprietary Products or other furnishings, equipment, signs, fixtures, supplies or inventory of Franchisee displaying the Proprietary Marks or which are proprietary to the Code Ninjas System.

17.9 Franchisor's Option to Purchase Certain Assets. Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the other furnishings, equipment, signs, fixtures, supplies, or inventory of Franchisee related to the operation of the Franchised Center (excluding those items to be returned to Franchisor under this Section 17, including without limitation, those set forth in Section 17.8 above), at the lesser of Franchisee's cost or fair market value. The cost for such items shall be determined based upon a five (5) year straight-line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee.

17.10 Comply with Covenants. Franchisee and its Principals shall comply with the covenants contained in Section 18.3 of this Agreement.

18. COVENANTS

18.1 Full Time and Best Efforts. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is not an individual, the Designated Principal) and Franchisee's fully trained Director shall devote full time and best efforts to the management and operation of the Franchised Center.

18.2 During the Agreement Term. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

18.2.1 Divert or attempt to divert any present or prospective business or customer of any Code Ninjas Center to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

18.2.2 Intentionally omitted.

18.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined below). A "**Competitive Business**" shall be considered (i) any business offering educational opportunities for children; and/or (ii) any business that is the same as or similar to a Code Ninjas Center. Franchisee acknowledges and agrees that Franchisee shall be considered in default under this Agreement and that this Agreement will be subject to termination as provided in Section 16.3.8 herein, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Franchisee (or, if Franchisee is other than an individual, each Principal that is subject to these covenants) engages in a Competitive Business that would violate this Section 18.2.3 if such person was subject to the covenants of this Section 18.2.3.

18.3 **After the Agreement and After a Transfer.** Franchisee covenants that, except as otherwise approved in writing by Franchisor, for a continuous, uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 15 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 18.3; or (e) any or all of the foregoing:

18.3.1 Franchisee shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located (i) at the Approved Location for the Franchised Center, (ii) within a radius of twenty (20) miles of the Franchised Center, or (iii) within a radius of twenty (20) miles of any other Code Ninjas Center in operation or under construction on the effective date of termination or expiration located anywhere; provided, however, that this provision shall not apply to the operation by Franchisee of any business under the System under a franchise agreement with Franchisor;

18.3.2 Franchisee shall not sublease, assign, or sell Franchisee's interest in any lease, sublease, or ownership of the Premises or assets of the Franchised Center to a third party for the operation of a Competitive Business, or otherwise arrange or assist in arranging for the operation by a third party of a Competitive Business.

18.4 **Exception for Ownership in Public Entities.** Sections 18.2.3 and 18.3 shall not apply to ownership by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

18.5 **Intentionally Omitted.**

18.6 **Covenants as Independent Clauses.** The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 18 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 18.

18.7 **Franchisor's Right to Reduce Scope of the Covenants.** Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 18, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith

with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 25 hereof.

18.8 **Covenants Survive Claims.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 18; provided, however, any claims Franchisee may have against Franchisor may be brought in a separate proceeding. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 18.

18.9 **Injunctive Relief.** Franchisee acknowledges that the foregoing restrictions are reasonable, are not vague or indefinite, and are designed to protect the legitimate business interests of Franchisor and the System, and that in the event of a breach of covenants contained in this Section 18, the damage to Franchisor would be difficult to ascertain and, in addition to other rights and remedies, Franchisor shall be entitled to seek injunctive and/or other equitable relief against the violation of any said covenants, together with reasonable attorneys' fees and costs.

19. **CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP**

19.2 **List of Principals.** If Franchisee is a corporation, limited liability company, or partnership, each Principal of Franchisee, and the ownership interest of each Principal in Franchisee, shall be identified in Exhibit B hereto. Franchisee shall maintain a list of all Principals and immediately furnish Franchisor with an update to the information contained in Exhibit B upon any change, which shall be made only in compliance with Section 15 above. As set forth in Section 8.3, the Designated Principal shall at all times have at least a ten percent (10%) interest in Franchisee.

19.1 **Guaranty, Indemnification, and Acknowledgment.** Each Principal shall execute a guaranty, indemnification, and acknowledgment of Franchisee's covenants and obligations under this Agreement in the form attached hereto as Exhibit C.

19.2 **Corporations and Limited Liability Companies.** If Franchisee or any successor to or assignee of Franchisee is a corporation or a limited liability company, Franchisee shall comply with the following requirements:

19.2.1 Franchisee shall be newly organized and its governing documents shall at all times provide that its activities are confined exclusively to operating the Franchised Center.

19.2.2 Franchisee shall, upon request of Franchisor, promptly furnish to Franchisor copies of Franchisee's articles of incorporation, bylaws, articles of organization, operating agreement and/or other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

19.2.3 Franchisee shall maintain stop-transfer instructions on its records against the transfer of any equity securities of Franchisee; and each stock certificate or issued securities of Franchisee shall conspicuously include upon its face a statement, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 19.2.3 shall not apply to a publicly held corporation.

19.3 **Partnerships and Limited Liability Partnerships.** If Franchisee or any successor to or assignee of Franchisee is a partnership or limited liability partnership, Franchisee shall comply with the following requirements:

19.3.1 Franchisee shall be newly organized and its partnership agreement shall at all times provide that its activities are confined exclusively to operating the Franchised Center.

19.3.2 Franchise shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

19.3.3 The partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

20. **TAXES, PERMITS, AND INDEBTEDNESS**

20.1 **Taxes.** Franchisee shall promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Center. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax or assessment (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

20.2 **Dispute About Taxes.** In the event of any *bona fide* dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises of the Franchised Center, or any improvements thereon.

20.3 **Compliance with Laws.** Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Center, including licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

21. **INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

21.1 **No Fiduciary Relationship.** Franchisee is an independent contractor. Franchisor and Franchisee are completely separate entities and are not fiduciaries, partners, joint venturers, or agents of the other in any sense and neither shall have the power to bind the other. No act or assistance given by either party to the other pursuant to this Agreement shall be construed to alter the relationship. Franchisee shall be solely responsible for compliance with all federal, state, and local laws, rules and regulations, and for Franchisee's policies, practices, and decisions relating to the operation of the Franchised Center.

21.2 **Public Notice.** During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Center pursuant to a franchise agreement from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including exhibiting a notice of that fact in a conspicuous place at the Premises, the content of which Franchisor reserves the right to specify, including language identifying Franchisee as an independent business in all dealings with customers, employees, suppliers and others.

21.3 **No Assumption of Liability.** Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on the behalf of Franchisor, or to incur any debt or other obligation in the name of Franchisor; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its operation of the Franchised Center or for any claim or judgment arising therefrom against Franchisee or Franchisor.

21.4 **Indemnification.**

21.4.1 Franchisee must defend, indemnify, and hold harmless Franchisor and its affiliates, and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, the “**Indemnified Parties**”), from and against all Losses (defined below) which any of the Indemnified Parties may suffer, sustain, or incur as a result of a claim asserted or threatened or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought, by a third party and directly or indirectly arising out of the Franchised Center’s operation, Franchisee’s conduct of business under this Agreement, Franchisee’s breach of this Agreement, or Franchisee’s noncompliance or alleged noncompliance with any law, ordinance, rule, or regulation, including any allegation that Franchisor or another Indemnified Party is a joint employer or otherwise responsible for Franchisee’s acts or omissions relating to Franchisee’s employees. Franchisor will promptly notify Franchisee of any claim that may give rise to a claim of indemnity under this provision, provided, however, that its failure to provide such notice will not release Franchisee from its indemnification obligations under this Section except to the extent Franchisee is actually and materially prejudiced by such failure.

21.4.2 Franchisee has the right, upon written notice delivered to the Indemnified Party within 15 days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of such counsel’s fees and disbursements. If (a) the Indemnified Party has been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to Franchisee and, in the Indemnified Party’s reasonable opinion, Franchisee’s counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with Franchisee’s interests, or (b) Franchisee does not assume responsibility for such Losses in a timely manner or fails to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party will have the right to employ counsel of its own choosing, and Franchisee must pay the fees and disbursements of such Indemnified Party’s counsel as incurred. In connection with any claim, the Indemnified Party or Franchisee, whichever is not assuming the defense of such claim, will have the right to participate in such claim and to retain its own counsel at such party’s own expense. Franchisee or the Indemnified Party (as the case may be) agrees to keep the other reasonably apprised of, and respond to any reasonable requests concerning, the status of the defense of any claim, and Franchisee and the Indemnified Party agree to cooperate in good faith with each other with respect to the defense of any such claim. Franchisee may not, without the Indemnified Party’s prior written consent, (1) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (2) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by Franchisee. No claim which is being defended in good faith by Franchisee in accordance with this Section may be settled by the Indemnified Party without Franchisee’s prior written consent. Notwithstanding anything to the contrary in this Section, if a claim involves the Proprietary Marks, Franchisee agrees that Franchisor has the exclusive right to assume the defense of such claim, at Franchisee’s expense with counsel selected by Franchisor, but reasonably satisfactory to Franchisee.

21.4.3 Franchisee has no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party’s gross negligence, willful misconduct, or willful wrongful omissions, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employment) or Franchisor’s failure to compel Franchisee to comply with this Agreement.

21.4.4 For purposes of this Section, "**Losses**" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, and alternative dispute resolution.

21.4.5 Franchisee's obligations in this Section will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against Franchisee under this Section. Franchisee agrees that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this Section.

22. **APPROVALS AND WAIVERS**

22.1 **Approval Requests.** Whenever this Agreement requires the prior authorization, approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

22.2 **Non-waiver.** No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

23. **WARRANTIES OF OPERATOR**

23.1 **Reliance by Franchisor.** Franchisor entered into this Agreement in reliance upon the statements and information submitted to Franchisor by Franchisee in connection with this Agreement. Franchisee represents and warrants that all such statements and information submitted by Franchisee in connection with this Agreement are true, correct and complete in all material respects. Franchisee agrees to promptly advise Franchisor of any material changes in the information or statements submitted.

23.2 **Compliance with Laws.** Franchisee represents and warrants to Franchisor that neither Franchisee (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

24. **NOTICES**

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party, and provided that Franchisor may provide Franchisee notice to electronically to the email address included

on the signature page of this Agreement, read receipt requested, unless and until a different email address has been designated by written notice to Franchisor. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

25. **ENTIRE AGREEMENT**

Franchisor and Franchisee, and any Principal, each acknowledge and warrant to each other that they wish to have all terms of this business relationship defined solely in and by this written Agreement. Recognizing the costs on both Franchisor and Franchisee which are uncertain, Franchisor and Franchisee each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings which have been or may in the future be, exchanged between them, serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, Franchisor and Franchisee agree and promise each other that this Agreement supersedes and cancels any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or any other term), between Franchisor or anyone acting on its behalf and Franchisee or anyone acting on its behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such term) with respect to the rights and obligations of Franchisor and Franchisee or the relationship between them. Franchisor and Franchisee agree and promise each other that they have placed, and will place, no reliance on any such discussions or writings. In accordance with the foregoing, it is understood and acknowledged that this Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Franchisee to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Section 25 is intended to disclaim any of the information contained in Franchisor's Franchise Disclosure Document or its attachments or exhibits. Any representations, warranties, inducements, promises, understandings or agreements between the parties, that are not in the Franchise Disclosure Document which Franchisee acknowledges receiving at least 14 days before signing this Agreement or paying any money, or not in writing and signed by Franchisor and Franchisee, are void and not enforceable.

26. **SEVERABILITY AND CONSTRUCTION**

26.1 **Severable Parts**. Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

26.2 **Terms Surviving this Agreement**. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause), shall survive such expiration, termination or assignment.

26.3 **No Rights on Third Parties**. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, officers, directors, shareholders, agents, and employees of Franchisor, and such

successors and assigns of Franchisor as may be contemplated by Section 15 hereof, any rights or remedies under or by reason of this Agreement.

26.4 **Full Scope of Terms.** Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

26.5 **Franchisor's Application of its Rights.** Franchisor shall have the right to operate, develop and change the System in any manner that is not specifically precluded by this Agreement. Whenever Franchisor has reserved in this Agreement a right and/or discretion to take or withhold an action, or is deemed to have a right and/or discretion to take or withhold an action, or a right to grant or decline to grant Franchisee a right to take or omit an action, Franchisor may make its decision or exercise its rights, on the basis of the information readily available to Franchisor, and in its judgment of what is in Franchisor's best interests and/or in the best interests of Franchisor's franchise network, at the time its decision is made, without regard to whether: (i) other reasonable or even arguably preferable alternative decisions could have been made by Franchisor; (ii) the decision or action of Franchisor will promote its financial or other individual interests; (iii) Franchisor's decision or the action it takes applies differently to Franchisee and one or more other franchisees or Franchisor's company-owned operations; or (iv) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor rights or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

27. **APPLICABLE LAW AND DISPUTE RESOLUTION**

27.1 **Governing Law.** This Agreement takes effect upon its acceptance and execution by Franchisor, and shall be interpreted and construed under the laws of the State of Texas. In the event of any conflict of law, the laws of Texas shall prevail, without regard to, and without giving effect to, the application of Texas conflict of law rules. Nothing in this Section 27.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Texas or of any other state, to which it would not otherwise be subject.

27.2 **Non-Binding Mediation.** Before any party may bring an action in arbitration or in court against the other, the parties must first meet to mediate the dispute (except for controversies, disputes, or claims related to or based on improper use of the Proprietary Marks or confidential information). Any such mediation shall be non-binding and shall be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. All mediation proceedings will be conducted at a suitable location chosen by the mediator, which is within a five (5) mile radius of Franchisor's then current principal place of business, unless Franchisor agrees otherwise in writing. Notwithstanding anything to the contrary, this Section 27.2 shall not bar either party from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation. Mediation hereunder shall be concluded within forty five (45) days of Franchisee's receipt of the notice specifying the designated mediator or such longer period as may be agreed upon by

the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Franchisor and Franchisee shall each bear its own costs of mediation, and each shall bear one-half (1/2) the cost of the mediator or mediation service. This Section 27.2 mandating non-binding mediation shall not be applicable to any claim or dispute arising under this Agreement or any other agreement between the parties which relates to the failure to pay fees or other monetary obligation(s) of either party under said agreement(s).

27.3 Arbitration. Franchisor and Franchisee agree that, subject to Section 27.2 herein, and except for controversies, disputes, or claims related to or based on improper use of the Proprietary Marks or confidential information, all controversies, disputes, or claims between Franchisor and Franchisor's affiliates, and Franchisor's and their respective shareholders, members, officers, directors, agents, and/or employees, and Franchisee (and/or Franchisee's owners, guarantors, affiliates, and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between Franchisee and Franchisor;
- (2) Franchisor's relationship with Franchisee;
- (3) the validity of this Agreement or any other agreement between Franchisee and Franchisor; or
- (4) any System standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association in the United States ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current rules. All proceedings will be conducted at a suitable location chosen by the arbitrator, which is within a five (5) mile radius of Franchisor's then current principal place of business. The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

27.3.1 The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or applicable law), provided that the arbitrator may not declare any Proprietary Mark generic or otherwise invalid or, as expressly provided in Section 27.7 below, award any punitive, exemplary or multiple damages against either party.

27.3.2 Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. Franchisor and Franchisee further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Franchisor.

27.3.3 Franchisor and Franchisee agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Franchisor's affiliates, and Franchisor's and their respective shareholders, officers, directors, agents, and/or employees,

and Franchisee (and/or Franchisee's owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between Franchisor and any other person.

27.3.4 Despite Franchisor's and Franchisee's agreement to arbitrate, Franchisor and Franchisee each have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Franchisor and Franchisee must contemporaneously submit Franchisor's dispute for arbitration on the merits as provided in this Section 27.3.

27.3.5 The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

27.4 **Consent to Jurisdiction.** Subject to the mediation and arbitration obligations in Sections 27.2 and 27.3, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county, where Franchisor's principal place of business is then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which Franchisee resides or the Franchised Center is located.

27.5 **No Rights Exclusive of Other Rights.** No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

27.6 **WAIVER OF JURY TRIAL.** FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

27.7 **WAIVER OF PUNITIVE DAMAGES.** FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER.

27.8 **Limitation.** The parties agree that, except as provided below, no mediation or arbitration proceeding, action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by Franchisee against any person and/or entity affiliated with Franchisor), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such mediation or arbitration proceeding, action or suit before the expiration of the earlier of: (a) One hundred eighty (180) days after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or (b) One (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

27.8.1 Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern.

27.8.2 The foregoing limitations may, where brought into effect by Franchisor's failure to commence an action within the time periods specified, operate to exclude Franchisor's right to sue for

damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent Franchisor from terminating Franchisee's rights and Franchisor's obligations under this Agreement as provided herein and under applicable law nor prevent Franchisor from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

27.8.3 The foregoing limitations shall not apply to Franchisor's claims arising from or related to: (1) Franchisee's under-reporting of Net Sales; (2) Franchisee's under-payment or non-payment of any amounts owed to Franchisor or any affiliated or otherwise related entity; (3) indemnification by Franchisee; (4) Franchisee's confidentiality, non-competition or other exclusive relationship obligations; and/or (5) Franchisee's unauthorized use of the Proprietary Marks.

27.9 **Intentionally Omitted.**

27.10 **Intentionally Omitted.**

27.11 **Injunctive Relief.** Nothing herein contained shall bar the right of Franchisor to obtain injunctive relief against threatened conduct that will cause it loss or damages, including violations of the terms of Sections 9, 10, 11, 15, and 18 under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

27.12 **Counterparts; Paragraph Headings; Pronouns.** This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument. All captions and paragraph headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. Each pronoun used herein shall be deemed to include the other number of genders.

27.13 **Security Interest.** Franchisee hereby grants to Franchisor a security interest in all of Franchisee's interest in all leasehold improvements, furniture, furnishings, fixtures, equipment, inventory and supplies located at or used in connection with the Franchised Center, now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions and replacements therefore, and all cash and non-cash proceeds derived from insurance or the disposition of such collateral, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, of Franchisee to Franchisor. Franchisee agrees to execute and deliver to Franchisor in a timely manner all financial statements and other documents necessary or desirable to evidence, perfect and continue the priority of such security interests under the Uniform Commercial Code.

27.14 **Attorneys' Fees.** In the event Franchisor is required to employ legal counsel or to incur other expense to enforce any obligation of Franchisee hereunder, or to defend against any claim, demand, action or proceeding by reason of Franchisee's failure to perform any obligation imposed upon Franchisee by this Agreement, Franchisor shall be entitled to recover from Franchisee the amount of all reasonable attorneys' fees of such counsel and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to or in preparation for or contemplation of the filing of such action or thereafter.

27.15 **No Waiver.** Except as otherwise provided in this Section 27.15, neither of Franchisor or Franchisee will be deemed to have waived any obligation of the other, or to have agreed to any modification of this Agreement, unless we have done so in writing, and the writing is signed by the person giving the waiver or agreeing to the modification. However, Franchisee agrees that it will give Franchisor immediate written notice of any claimed breach or violation of this Agreement as soon as possible after it has knowledge, or determines, or is of the opinion, that there has been a breach or violation by Franchisor of this Agreement. If Franchisee fails to give written notice to Franchisor of any claimed misrepresentation,

violation of law, or breach of this Agreement within one (1) year from the date it has knowledge, determines, is of the opinion, or becomes aware of facts and circumstances reasonably indicating, that Franchisee may have a claim against Franchisor or against any of its affiliates under any state law, federal law, or common law, then the misrepresentation, violation of law, or breach will be considered to have been condoned, approved and waived by Franchisee, and Franchisee will be barred from beginning any legal, arbitration, or other action against Franchisor or against its affiliates, or from instituting any counterclaim against Franchisor or its affiliates, for the misrepresentation, violation of law, or breach, or from using the alleged act or omission as a defense to any action Franchisor may maintain against Franchisee.

28. **ACKNOWLEDGMENTS**

28.1 **FRANCHISEE'S INVESTIGATION OF THE BUSINESS POSSIBILITIES.** FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS OF OPERATING A CODE NINJAS CENTER, AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE (OR, IF FRANCHISEE IS A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, THE ABILITY OF ITS PRINCIPALS) AS (AN) INDEPENDENT BUSINESSPERSON(S). FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT CONTAINS ALL ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES, AND ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACT (WHETHER ORAL OR WRITTEN) ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. FRANCHISEE FURTHER ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED ON ANY REPRESENTATIONS ABOUT THE FRANCHISE BY THE FRANCHISOR, OR ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, THAT ARE CONTRARY TO THE STATEMENTS MADE IN THE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT OR TO THE TERMS AND CONDITIONS CONTAINED HEREIN, AND FURTHER REPRESENTS TO THE FRANCHISOR, AS AN INDUCEMENT TO ENTRY INTO THIS AGREEMENT, THAT FRANCHISEE HAS MADE NO MISREPRESENTATIONS IN OBTAINING THE FRANCHISE.

28.2 **Receipt of FDD and Complete Agreement.** Franchisee acknowledges that it received a complete copy of this Agreement, the attachments hereto, and agreements relating thereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising", otherwise known as the Franchise Disclosure Document (**FDD**), at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment by Franchisee for the franchise rights granted under this Agreement. Franchisee further acknowledges that prior to receiving Franchisor's FDD, Franchisor advised Franchisee of the formats in which the FDD is made available, and any conditions necessary for reviewing the FDD in a particular format.

28.3 **Franchisee Read the Agreement and Consulted.** Franchisee acknowledges that it has read and understood Franchisor's FDD and this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

28.4 **Franchisee's Responsibility for Operation of Business**. Although Franchisor retains the right to establish and periodically modify System standards, which Franchisee has agreed to maintain in the operation of the Franchised Center, Franchisee retains the right and sole responsibility for the day-to-day management and operation of the Franchised Center and the implementation and maintenance of System standards at the Franchised Center. Franchisee acknowledges that it is solely responsible for all aspects of the Franchised Center's operations, including employee and human resources matters. Franchisee further acknowledges that any controls implemented by Franchisor are for the protection of the System and the Proprietary Marks and not to exercise any control over the day-to-day operation of the Franchised Center.

28.5 **No Conflicting Obligations**. Each party represents and warrants to the other that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

28.6 **Different Franchise Offerings to Others**. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

28.7 **Good Faith**. Franchisor and Franchisee acknowledge that each provision in this Agreement has been negotiated by the parties hereto in good faith and the Agreement shall be deemed to have been drafted by both parties. It is further acknowledged that both parties intend to enforce every provision of this Agreement, including, without limitation, the provisions related to arbitration and choice of venue, regardless of any state law or regulation purporting to void or nullify any such provision.

28.8 **Success Depends on Franchisee**. Franchisee acknowledges that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon Franchisee's ability (or if Franchisee is other than an individual, the ability of its Principals) as (an) independent businessperson(s), its active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. Franchisor does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

28.9 **Patriot Act**. Franchisee represents and warrants that to its actual knowledge: (i) neither Franchisee, nor its officers, directors, managers, members, partners or other individual who manages the affairs of Franchisee, nor any Franchisee affiliate or related party, or any funding source for the Franchised Center, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury's Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "USA Patriot Act," as such lists may be amended from time to time (collectively, "**Blocked Person(s)**"); (ii) neither Franchisee nor any Franchisee affiliate or related party is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither Franchisee nor any Franchisee affiliate or related party is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither Franchisee nor any Franchisee affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Department of State's Debarred List, as such lists may be amended from time to time (collectively, the "**Lists**"); (v) neither Franchisee nor any Franchisee affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither Franchisee nor any Franchisee affiliate or related party will sell products, goods or services to, or otherwise enter into a business

arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. Franchisee agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

28.10 **No Guarantees**. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

**CODE NINJAS, LLC
FRANCHISE AGREEMENT
SIGNATURE PAGE**

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

**FRANCHISOR:
CODE NINJAS, LLC**

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address for Notices:

Address for Notices:

Attn: Compliance Officer
Code Ninjas, LLC
11200 Broadway Street, Suite 2731
Pearland, Texas 77584

Email: _____
Telephone: _____
Fax: _____
Attn: _____

With copy to:

Meredith A. Bauer, Esq.
EntrePartner Law Firm, PLLC
575 Southeast 9th Street
Suite 95
Minneapolis, Minnesota 55414

CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT A
DATA SHEET

1. The Site Selection Area (See Section 1.2) for the Franchised Center shall be:

2. The Approved Location (See Section 1.3) for the Franchised Center shall be:

3. The Territory shall be (subject to the terms of the Agreement, including but not limited to Section 1.5 of the Agreement) as follows, and which Territory is reflected on the map attached to this Exhibit A:

4. The initial Franchise Fee shall be \$_____ (See Section 4.1). Notwithstanding anything to the contrary in the Franchise Agreement, if this Franchise Agreement is executed pursuant to an Area Development Agreement, the initial Franchise Fee shall be \$0 (See Section 4 of Area Development Agreement).

CODE NINJAS, LLC

Initial: _____

Date: _____

FRANCHISEE

Initial: _____

Date: _____

CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT B
LIST OF PRINCIPALS AND DESIGNATED PRINCIPAL

FRANCHISEE'S PRINCIPALS

The following identifies all of Franchisee's Principals (as defined in Section 6.1 of the Franchise Agreement), including each Principals address and percentage of beneficial interest in Franchisee:

Name of Principal	Address, Telephone, Email	Interest (%) with Description
		Total %:

FRANCHISEE'S DESIGNATED PRINCIPAL

The following identifies Franchisee's Designated Principal (as defined in Section 8.3.1 of the Franchise Agreement), including his/her contact information and percentage of beneficial interest in Franchisee:

Name of Designated Principal	Address, Telephone, Email	Interest (%) with Description

CODE NINJAS, LLC

Initial: _____

Date: _____

FRANCHISEE

Initial: _____

Date: _____

**CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT C
GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT**

As an inducement to Code Ninjas, LLC ("**Franchisor**") to enter into the Franchise Agreement between Franchisor and _____ ("**Franchisee**"), dated _____, 20____ (the "**Agreement**"), the undersigned hereby unconditionally guarantees to Franchisor and Franchisor's successors and assigns that all of Franchisee's covenants and obligations, including, without limitation, monetary obligations, under the Agreement will be punctually paid and performed. This Guaranty, Indemnification, and Acknowledgment (this "**Guaranty**") is an unconditional, irrevocable and absolute guaranty of payment and performance and may not be cancelled, terminated, modified, or amended except by written agreement executed by both parties.

Upon demand by Franchisor, the undersigned hereby agrees to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned hereby waives notice of same and agrees to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned hereby acknowledges and expressly agrees to be personally bound by all of the covenants contained in the Agreement, including, without limitation, those covenants contained in Sections 10, 11, 15, 17, and 18. Signature by the undersigned on this Guaranty constitutes the undersigned's signature on the Agreement related to all covenants. The undersigned asserts that he or she has read such covenants, been advised by counsel regarding their effect, and hereby affirmatively agree to them in order to secure the rights granted to Franchisee by Franchisor under the Agreement. The undersigned further acknowledges and agrees that this Guaranty does not grant the undersigned any right to use the "Code Ninjas" marks or system licensed to Franchisee under the Agreement.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors, if any, will continue in full force and effect.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound thereto at any time. Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty.

The undersigned represents and warrants to Franchisor that neither the undersigned (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

Any and all notices required or permitted under this Guaranty shall be in writing and shall be personally delivered, in the manner provided under the Agreement.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with the Agreement. This Guaranty shall be governed by the dispute resolution provisions of the Agreement; and shall be interpreted and construed under the laws of the State of Texas. In the event of any conflict of law, the laws of the State of Texas shall prevail (without regard to, and without giving effect to, the application of Texas conflict of law rules).

IN WITNESS WHEREOF, the undersigned has executed this Guaranty, Indemnification and Acknowledgement as of the date of the Agreement.

GUARANTOR(S):

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT D
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS AND CREDIT CARD
AUTHORIZATION

EFT AUTHORIZATION

As part of the Franchise Agreement with Code Ninjas, LLC (the "**Franchisor**"), the "**Franchisee**" understands that it will receive and make payments which will be processed by Electronic Funds Transfer ("**EFT**") using the Automated Clearing House ("**ACH**") method. The EFT/ACH debit will move funds directly from Franchisor's account into Franchisee's account and from Franchisee's account into Franchisor's account.

The Franchisee hereby authorizes its bank to receive payments via EFT/ACH from the Franchisor, as well as pay and charge to its account EFT/ACH debits and drafts drawn by and payable to the order of the Franchisor. This authorization remains in full force and effective until sixty (60) days after the Franchisor has received written notification from the Franchisee of its termination. Should the bank dishonor any draft or EFT/ACH debit or credit with or without cause, the Franchisee releases the bank from any and all liability.

Franchisee:

Designated _____ Operator: _____

Address: _____

City, _____ State, _____ and _____ Zip: _____

Please provide two Email addresses for Draft Notices

Email: _____ Email: _____

Please sign the acknowledgement below and return

Financial Institution Routing Number Account Number

Signature of Authorized Signer: _____ Date: _____

CREDIT CARD AUTHORIZATION

Credit Card Information			
Card Type:	☐ MasterCard	☐ VISA	☐ Discover ☐ AMEX
	☐ Other _____		
Cardholder Name (as shown on card): _____			
Card Number: _____			
Expiration Date (mm/yy): _____			
Cardholder ZIP Code (from credit card billing address): _____			

Franchisee hereby authorizes Franchisor to charge the above-referenced card all amounts due to Franchisor or its affiliates pursuant to the Franchise Agreement and any other agreement between Franchisee and its affiliates and Franchisor. This authorization remains in full force and effect until sixty (60) days after the Franchisor has received written notification from the Franchisee of its termination. Franchisee understands that its information will be saved to file for all transactions.

Signature of Authorized Signer: _____

Date: _____

**CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT E
NON-DISCLOSURE
FOR FRANCHISEE'S EMPLOYEES**

THIS NON-DISCLOSURE AGREEMENT ("Agreement") is made this ____ day of _____, 20____, by and between _____ ("us" "we" "our" or the "Franchisee"), and _____, an employee of Franchisee ("you" or the "Employee").

Introduction

Code Ninjas, LLC (the "**Franchisor**") and its affiliates developed and own a format and system (the "**System**") for establishing, operating, and licensing centers providing child focused educational programs, including subjects such as computer programming, coding, math, logic and teamwork, under the name "Code Ninjas." (each is referred to as a "**Code Ninjas Center**").

Franchisor and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a Code Ninjas Center (the "**Franchised Center**") under the terms and conditions of the Franchise Agreement.

In connection with starting or continuing your employment with Franchisee, you will be trained by us and you will learn of Franchisor's confidential information and know-how concerning the methods of operation of a Code Ninjas Center and the System.

Now, therefore, it is agreed that as a consideration of starting or continuing your employment, as a condition to your employment and the compensation that we have paid to you (and/or will pay you after today), you acknowledge and agree that you will comply with all of the following obligations:

1. **Confidential Information.** You agree that you will not, at any time (whether during or after your time of employment with us), communicate or divulge Confidential Information to any Person, and that you will not use Confidential Information for your own benefit or for the benefit of any other Person.

2. **Definitions.** As used in this Agreement, the following terms are agreed to have the following meanings:

a. The term "**Confidential Information**" means any information, knowledge, or know-how concerning the methods of operation of the Franchised Center and the System that you may learn of or that otherwise becomes known to you during the time of your employment with us (whether or not the Franchisor or we have specifically designated that information as "confidential"). Confidential Information may include, among other things, operational, sales, promotional, marketing, and administrative methods, procedures, and techniques. However, Confidential Information does not include information that you can show came to your attention before it was disclosed to you by us or Franchisor; and Confidential Information also does not include information that, at or after the time when we disclosed it to you, is a part of the public domain through no act on your part or through publication or communication by other Persons who are lawfully entitled to publish or communicate that information.

b. The term "**Person**" means any person, persons, partnership, entity, association, or corporation (other than the Company or Franchisor).

c. The term “**Post-Term Period**” means a continuous uninterrupted period of (check as applicable) • one (1) year if you are a manager or perform managerial responsibilities, or • six (6) months if you are a non-managerial employee, from the date of: (a) termination of your employment with us for any reason; and/or (b) a final order of a court of competent jurisdiction enforcing this Agreement.

3. Covenants.

a. You understand and acknowledge that due to your employment with us, you will receive valuable specialized training and access to Confidential Information.

b. You covenant and agree that during the term of your employment, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any Person:

i. Divert or attempt to divert any current or potential business account or customer of the Franchised Center (or of any Code Ninjas Center) to any Person, whether by direct or indirect suggestion, referral, inducement, or otherwise;

ii. Do or perform, directly or indirectly, any act that might injure or be harmful to the goodwill associated with Franchisor and the System;

4. Legal and Equitable Remedies. You understand, acknowledge, and agree that if you do not comply with the requirements of this Agreement, you will cause irreparable injury to Franchisor, and that:

a. We will have the right to enforce this Agreement and any of its provisions by going to a court and obtaining an injunction, specific performance, or other equitable relief, without prejudice to any other rights and remedies that we may have for breach of this Agreement;

b. You will not raise wrongful termination or other defenses to the enforcement of this Agreement (although you will have the right to raise those issues in a separate legal action); and

c. You must reimburse Franchisor for any court costs and reasonable attorney’s fees that Franchisor incurs as a result of your violation of this Agreement and having to go to court to seek enforcement.

5. Severability. Each of the provisions of this Agreement may be considered severable from the others. If a court should find that we or Franchisor may not enforce a clause in this Agreement as written, but the court would allow us or Franchisor to enforce that clause in a way that is less burdensome to you, then you agree that you will comply with the court’s less-restrictive interpretation of that clause.

6. Delay. No delay or failure by us or Franchisor to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that right or any other right set out in this Agreement. No waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

7. Third-Party Beneficiary. You acknowledge and agree that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with us.

8. Jurisdiction; Applicable Law. You agree that any lawsuit brought by Franchisor to enforce its rights under this Agreement shall be brought in the courts of the county where Franchisor has its then current principal place of business, and you agree and consent to the jurisdiction of such court to resolve all disputes which arise out of this Agreement or any alleged breach thereof, regardless of your residency

at the time such lawsuit is filed. This Agreement shall be governed by the laws of the State of Texas. In the event of any conflict of law, the laws of Texas shall prevail, without regard to, and without giving effect to, the application of Texas conflict of law rules.

IN WITNESS WHEREOF, Employee has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

EMPLOYEE

Signature: _____

Printed Name: _____

**CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT F
TELEPHONE NUMBER ASSIGNMENT AGREEMENT AND POWER OF ATTORNEY**

FOR VALUE RECEIVED, the undersigned ("Franchisee") irrevocably assigns the telephone listing and numbers stated below and any successor, changed or replacement number or numbers effective upon the date of termination of the Franchise Agreement described below to Code Ninjas, LLC upon the following terms:

1. This assignment is made under the terms of the Code Ninjas, LLC Franchise Agreement dated _____, 20__ authorizing Franchisee to operate a Code Ninjas Center (the "Franchise Agreement") between Franchisor and Franchisee, which in part pertains to the telephone listing and numbers the Franchisee uses in the operation of the Franchised Center covered by the Franchise Agreement.

2. Franchisee retains the limited right to use the telephone listing and numbers only for transactions and advertising under the Franchise Agreement while the Franchise Agreement between Franchisor and Franchisee remains in full force, but upon termination or expiration of the Franchise Agreement, the Franchisee's limited right of use of the telephone listing and numbers also terminates. In this event, Franchisee agrees to immediately discontinue use of all listings and numbers. At Franchisor's request, Franchisee will immediately sign all documents, pay all monies, and take all other actions necessary to transfer the listing and numbers to Franchisor.

3. The telephone numbers and affiliated listings subject to this assignment are:
Main Telephone: _____, Facsimile: _____ and all numbers on the rotary series and all numbers the Franchisee uses in the Franchised Center in the future.

4. Franchisee shall pay all amounts owed for the use of the telephone numbers and affiliated listing it incurs. On termination or expiration of the Franchise Agreement, Franchisee shall immediately pay all amounts owed for the listing and telephone numbers, whether or not due, including all sums owed under existing contracts for telephone directory advertising.

5. Franchisee appoints Franchisor as its attorney-in-fact to act in Franchisee's place for the purpose of assigning any telephone numbers covered by Paragraph 3 above to Franchisor or Franchisor's designees or transferees. Franchisee grants Franchisor full authority to act in any manner proper or necessary to exercise these powers, including full power of substitution and signing or completion of all documents required or requested by any telephone company to transfer the numbers, and ratifies every act that Franchisor lawfully performs in exercising those powers.

This power of attorney is effective for ten (10) years from the date of expiration, cancellation or termination of Franchisee's rights under the Franchise Agreement for any reason.

Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all right to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney is not affected by the Franchisee's later incapacity. This power is created to secure performance of a duty to Franchisor and is for consideration.

THE PARTIES have caused this Telephone Number Assignment Agreement and Power of Attorney to be duly signed as evidenced by their signatures appearing below. Signed the ____ day of _____, 20__.

FRANCHISOR:
CODE NINJAS, LLC

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT G
LEASE RIDER**

LEASE RIDER

This Lease Rider is attached to the Lease between LANDLORD and TENANT dated _____, 20____ and is a part of the Lease. If any terms of this Lease Rider are different from or do not agree with the provisions of the Lease, LANDLORD and TENANT will follow and observe the provisions of this Lease Rider with regard to those terms.

BACKGROUND

- A. Tenant is a franchisee of Code Ninjas, LLC ("Franchisor") for the operation of a Code Ninjas® center. Landlord and Tenant have executed a lease agreement dated _____ ("Lease") for the premises located at _____ ("Leased Premises") for use by Tenant as its Code Ninjas® center ("Franchised Business") in connection with a Franchise Agreement dated _____ by and between Franchisor and Tenant ("Franchise Agreement");
- B. Landlord acknowledges that Franchisor requires the modifications to the Lease set forth herein as a condition to its approving the Leased Premises as a site for the Franchised Business, and that Landlord agrees to modify and amend the Lease in accordance with the terms and conditions contained herein.

AGREEMENT

In consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Default Notice. In the event there is a default under the Lease by Tenant, Landlord agrees that it shall furnish to Franchisor, contemporaneously with that to Tenant written notice of any default and the action required to cure such default, at the following address:

Franchisor – Code Ninjas, LLC
Liza Glass
Code Ninjas, LLC
11200 Broadway Street, Suite 2731
Pearland, Texas 77584
Telephone: (855) 446-4652

2. Termination of the Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated for any reason during the term of the Lease or any extension thereof, Tenant, upon the written request of Franchisor, shall assign to, at Franchisor's option: either (i) Franchisor or its affiliate; or (ii) another franchisee of Franchisor who meets Franchisor's requirements for operating as a franchisee within the Code Ninjas system (a "Qualified Franchisee"); all of its rights, title and interest in and to the Lease, and Franchisor, its affiliate, or such Qualified Franchisee, as applicable, may agree to assume from the date of assignment all of Tenant's obligations remaining under the Lease, and may assume Tenant's occupancy rights for the remainder of the term of the Lease. Landlord hereby consents to the assignment of the Lease from Tenant to Franchisor or a Qualified Franchisee, and shall not charge any fee or accelerate rent under the Lease. Alternatively, in the event of a termination of the Franchise Agreement, Franchisor may elect to enter into a new lease, or designate a Qualified Franchisee to enter into a new lease, with

Landlord containing terms and conditions no less favorable than the Lease. Landlord and Tenant shall deliver possession of the Leased Premises to Franchisor or the Qualified Franchisee, as applicable, free and clear of all rights of Tenant or third parties, subject to Franchisor or the Qualified Franchisee executing an acceptance of the assignment of Lease or new lease, as the case may be. Should Franchisor or its affiliate accept assignment of the Lease hereunder, Landlord agrees that it may thereafter assign its interest in the Lease to a Qualified Franchisee who would then become the lessee.

3. De-identification. If the Franchise Agreement between Franchisor and Tenant is terminated for any reason during the term of the Lease or any extension thereof, and the Lease is not assigned pursuant to the provisions herein, Tenant and Landlord acknowledge that Tenant is required to remove all of Code Ninjas proprietary trademarks, service marks, trade dress, and signs, materials, designs and logos of Franchisor. Landlord will cooperate with Franchisor in enforcing such requirement, including without limitation, by allowing Franchisor, its employees and agents to enter the Leased Premises in order to enforce this provision; provided, that Landlord is not required to bear any expenses associated with the enforcement of this provision.

4. Franchisor Not a Guarantor. Landlord acknowledges and agrees that notwithstanding any terms or conditions contained in this Agreement or any other agreement, Franchisor shall in no way be construed as a guarantor or surety of Tenant's obligations under the Lease. Notwithstanding the foregoing, in the event Franchisor becomes the tenant by assignment of the Lease in accordance with the terms hereof or enters into a new lease with Landlord, then Franchisor shall be liable for all of the obligations of Tenant on its part to be performed or observed under the Lease from and after the date of assignment, or the new lease.

5. Third Party Beneficiary. Landlord and Tenant agree and acknowledge that Franchisor is an intended third-party beneficiary to the Lease, and as such, the Lease may not be amended or cancelled so as to affect any the Lease, or the intent of the same, without the prior written approval of Franchisor, which approval shall not be unreasonably withheld.

6. Lease Rider to Govern. The terms and conditions contained herein modify and supplement the Lease. Whenever any inconsistency or conflict exists between this Lease Rider and the Lease, the terms of this Lease Rider shall prevail.

7. Waiver. Failure of Franchisor to enforce or exercise any of its rights hereunder shall not constitute a waiver of the rights hereunder or a waiver of any subsequent enforcement or exercise of its rights hereunder.

8. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

BY SIGNING THIS LEASE RIDER, TENANT AND LANDLORD AGREE THAT THEY HAVE READ AND UNDERSTAND ALL OF THE AGREEMENTS IN THIS LEASE RIDER AND THAT THE TERMS AND CONDITIONS OF THIS LEASE RIDER ARE FULLY INCORPORATED INTO THE LEASE AS IF FULLY SET FORTH THEREIN.

LANDLORD NAME

a _____.

By: _____
_____ (name)

_____ (title)

TENANT NAME

a _____.

By: _____
_____ (name)
_____ (title)

CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT H
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Code Ninjas, LLC (the "**Franchisor**") and you are preparing to enter into a franchise agreement (the "**Franchise Agreement**") for the establishment and operation of an "**Code Ninjas Center**." The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("**Broker**") that have not been authorized, or that were not disclosed in the Franchise Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Code Ninjas Center from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Code Ninjas Center from an existing Franchisee?

Yes _____ No _____

2. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

3. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

4. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document ("**Disclosure Document**") that was provided to you?

Yes _____ No _____

5. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

6. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

7. Have you discussed the benefits and risks of establishing and operating a Code Ninjas Center with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

8. Do you understand that the success or failure of your Code Ninjas Center will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

9. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Code Ninjas Center operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating a Code Ninjas Center that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue a Code Ninjas Center will

generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating a Code Ninjas Center that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Code Ninjas Center?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

15. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

16. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

If you have answered No to question 8, or Yes to any one of questions 9-16, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 8, and No to each of questions 9-16, please leave the following lines blank.

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

The name of the sales person or salespersons that handled this franchise sale was:

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
 - (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
 - (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism;
- or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this _____ day of _____, 20____.

INDIVIDUAL

CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

Signature
Print Name: _____

Print Name of Legal Entity

Signature
Print Name: _____

By: _____
Signature
Print Name: _____
Title: _____

Signature
Print Name: _____

Signature
Print Name: _____

**CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT I
MOBILE TRAILER ADDENDUM**

THIS ADDENDUM (this "Addendum") is entered into as of _____, 20____, between CODE NINJAS, LLC (hereinafter "Franchisor") and _____ (hereinafter "Franchisee" or "you") as addendum to that certain Franchise Agreement executed by the parties on even date herewith (the "Franchise Agreement").

WHEREAS, Franchisee has requested to add an additional service as part of the operations of its Franchised Center in the form of a "Dojo2Go®" mobile 'edutainment' trailer, and Franchisor has agreed on the terms and conditions set forth in this Addendum.

NOW, THEREFORE, Franchisor and Franchisee agree that the Franchise Agreement is amended as follows:

1) Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Franchise Agreement.

2) Authorization to Offer Additional Service. Franchisee desires, and Franchisor agrees and authorizes Franchisee, to add a "Dojo2Go" mobile edutainment trailer (the "Additional Service") to the operations of the Franchised Center, to enable Franchisee to host external gaming and edutainment parties for schools, businesses, parties, and other events. Franchisee acknowledges that this is an optional service it is electing to offer, and it will comply with all requirements, standards and specifications as Franchisor may adopt with respect to this Additional Service during the term of the Franchise Agreement.

3) Purchase of Equipment. Franchisee shall purchase all equipment, signage, and other materials required by Franchisor for the offering of the Additional Service from Franchisor's designated vendor within thirty (30) days of the date hereof, provided, however, that if Franchisee is utilizing a third-party lending source for the initial purchase of required equipment, Franchisor will extend such requirement to the date that is ten (10) days from the date Franchisee receives funding of its financing. Notwithstanding the foregoing, if Franchisee has not purchased the initial required equipment for the Additional Service within four (4) months of execution of this Addendum, Franchisor may terminate this Addendum and in such case, Franchisee will not be able to offer the Additional Service.

By signing this Addendum, Franchisee acknowledges it has reviewed all of Franchisor's current specifications for the initial purchase of equipment required for the offering of the Additional Service. Franchisee shall make such changes, upgrades, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor. **FRANCHISOR EXPRESSLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS AS TO THE CONDITION OF ANY SUCH EQUIPMENT, INCLUDING WITHOUT LIMITATION, EXPRESS OR IMPLIED WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR ANY INTENDED PURPOSE. FRANCHISEE AGREES TO LOOK SOLELY TO THE MANUFACTURER OF SAME IN THE EVENT OF ANY DEFECTS THEREIN.**

4) Curriculum; Software. Without limiting the foregoing, Franchisee agrees that it will comply with Franchisor's then-current requirements regarding curriculum and content offered as part of the Additional Service, and acknowledges that Franchisor specifically prohibits the use of its proprietary curriculum designed for drop-in students at the Franchised Location to be used in connection with the Additional Service. Franchisee must subscribe to any software or licenses which are required for the

operation of the Additional Service, either directly with Franchisor or any authorized third-party provider, and Franchisee will be required to pay the costs for such technology licensed for use with respect to the Additional Service. Franchisee may be required to sign a separate agreement with Franchisor's designated provider of these services.

5) Additional Training. Franchisee agrees to comply with such additional training requirements as Franchisor may establish with respect to the Additional Service, and will not begin offering the Additional Service until such training requirements have been complied with.

6) Net Sales; Royalty Fee. Franchisee acknowledges that all revenue received from the offering of the Additional Service is included in "Net Sales" as such term is defined in the Franchise Agreement. Franchisee will comply with all reporting and recordkeeping requirements as Franchisor may establish with respect to Net Sales and other operations related to the Additional Service. Should Franchisee be found to be non-compliant with any of Franchisor's reporting requirements, or should Franchisee underreport any Net Sales or underpay any Royalty Fee due to Franchisor, Franchisor may, upon notice to Franchisee, charge a minimum royalty or flat fee in connection with this Additional Service in lieu of collecting the standard percentage Royalty Fee on Net Sales derived from the Additional Service. In such an event, any minimum royalty fee or flat fee charged will be based on a reasonable estimate of Royalty Fees which would otherwise be due to Franchisor in connection with the operation of the Additional Service, to be determined and established in Franchisor's sole discretion.

7) Territory Requirements. The parties acknowledge that the Franchise Agreement currently provides for operation of a Franchised Location within a specific Territory. Due to the mobile nature of the Additional Service, Franchisor and Franchisee agree as follows:

- a. Franchisee may offer the Additional Service at any location within its Territory, subject to the terms of the Franchise Agreement and this Addendum.
- b. Franchisee may not advertise, promote, or solicit customers for the Additional Service that are located outside of the Territory, and all advertisements or marketing materials adopted by Franchisee with respect to the Additional Service are subject to Franchisor's approval as set forth in the Franchise Agreement.
- c. Franchisee shall not provide the Additional Service or any other services or products to events, locations, or businesses outside of the Territory without the prior written authorization of Franchisor; provided, however, if, (i) Franchisee is otherwise in compliance with the Franchise Agreement, (ii) Franchisee obtains an unsolicited bona fide referral for an event or location outside of its Territory, or a referral as a result of advertising which has been specifically approved by Franchisor, and (iii) the location of the customer or event is not located in the territory of another franchisee in the System as confirmed by Franchisor; then Franchisee may provide the Additional Service to this referral so long as Franchisee notifies Franchisor of such event and provides information and reports to Franchisor as it may require. Franchisor reserves the right to modify or revoke this authorization at any time without compensation to Franchisee, in which case Franchisee may not be able to provide the Additional Service outside of its Territory.

Notwithstanding the foregoing, Franchisor may require Franchisee cease providing services to any customers or events at locations outside of the Territory upon written notice, and Franchisor may direct Franchisee to assign any customers or agreements to provide services to customers outside of the Territory to itself, its affiliates, or another franchisee operating in the System.

8) Insurance. In addition to the insurance requirements outlined in Section 14.2 of the Franchise Agreement, Franchisee agrees that it will obtain such additional insurance in amounts and limits as Franchisor may establish in writing from time to time, which include, without limitation, trailer contents insurance and tow vehicle / truck insurance.

9) Compliance; Effect. Franchisee acknowledges and agrees that should Franchisee breach the terms of this Addendum or any requirements of Franchisor with respect to the Additional Service, and continue such breach after Franchisor's notice thereof and failure of the Franchisee to cure such breach within thirty (30) days of such notice, Franchisor may revoke its authorization for Franchisee to offer the Additional Service, and terminate the rights of Franchisee hereunder. This Addendum shall be deemed fully executed and its terms given full force and legal effect as of the date signed by Franchisor notwithstanding anything to the contrary herein. In the event of a conflict between the terms and provisions of this Addendum and the Franchise Agreement, this Addendum shall control. Except as amended hereby, the Franchise Agreement shall continue in full force and effect, and all other terms of the Franchise Agreement shall apply to the provision of the Additional Service.

10) Representation of Authority. By signing this Addendum below on behalf of Franchisee, the undersigned represents that he or she is duly authorized and has legal capacity to execute and deliver this Addendum. The undersigned representative of Franchisee represents and warrants to Franchisor that the execution and delivery of this Addendum and the performance of such party's obligations hereunder have been duly authorized, and that the Addendum is a valid and legal agreement binding on Franchisee and enforceable in accordance with its terms.

In witness of their agreement, authorized representatives of the parties have signed this Addendum on the date(s) set forth below, to be effective as of the effective date first stated above.

FRANCHISEE:

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

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

FRANCHISOR:

CODE NINJAS, LLC

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

**CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT J
CODE NINJAS STUDIO RIDER**

THIS RIDER (this "Rider") is entered into as of _____, 20__ between CODE NINJAS, LLC (hereinafter "Franchisor") and _____ (hereinafter "Franchisee" or "you") to amend that certain Franchise Agreement executed by the parties on even date herewith (the "Franchise Agreement").

WHEREAS, in addition to Franchisor's traditional model, in which franchised locations are situated in fixed retail locations displaying interior trade dress (each, a "Code Ninjas Center"), Franchisor also offers a model in which franchised locations instead set up permanent operations in a secondary use space (each, a "Code Ninjas Studio"); and

WHEREAS, Franchisee has requested that its Franchised Center be designated as a Code Ninjas Studio, and Franchisor has agreed on the terms and conditions set forth in this Rider.

NOW, THEREFORE, Franchisor and Franchisee agree that the Franchise Agreement is amended as follows:

1) Capitalized Terms; Conflict with Franchise Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Franchise Agreement. The term "Franchised Center" shall refer to Franchisee's Code Ninjas Studio. References to Code Ninjas Centers shall also apply to Code Ninjas Studios. In the event of a conflict between the terms and provisions of this Rider and the Franchise Agreement, this Rider shall control.

2) Optional Designation. Franchisee acknowledges that its election to have its Franchised Center designated as a Code Ninjas Studio is optional, and that it will comply with all requirements, standards and specifications as Franchisor may adopt from time to time with respect to the operation of a Code Ninjas Studio during the term of the Franchise Agreement.

3) Nature of Code Ninjas Studio; Approved Location. Due to the nature of a Code Ninjas Studio and Franchisee's ability to operate the Franchised Center in shared or community spaces that may change from time to time, an "Approved Location" shall mean a location within the Territory that meets Franchisor's then-current requirements for Code Ninjas Studios, and has been approved in writing by Franchisor following submission by Franchisee of required information about the location. Any approval of a location by Franchisor shall be conditioned upon (a) the location meeting Franchisor's then-current requirements for Code Ninjas Studios, including without limitation the overall quality of the finishes, look and feel of the space, as well as its furniture, fixtures and equipment, and (b) Franchisee's execution of an agreement that (i) evidences its right to utilize the location for a minimum of one (1) year on terms that meet Franchisor's then-current requirements, and (ii) has been submitted to and approved in writing by Franchisor prior to execution. The initial Approved Location shall be described in Exhibit A subsequent to the execution of the Franchise Agreement. For the avoidance of doubt, Franchisee shall not relocate the Franchised Center without Franchisor's prior written consent and any relocation shall be at Franchisee's sole cost and expense. Sections 2.2.7, 2.2.8, 3.1, 5.1, 5.2, 5.3, 8.5, and 8.22 of the Franchise Agreement shall not apply to Franchisee. Section 8.6.1 of the Franchise Agreement shall apply only to the extent it relates to supplies, materials and other items necessary to operate a Code Ninjas Studio. Section 8.7 of the Franchise Agreement shall apply only to the extent such equipment, fixtures, furnishings, signs, décor, supplies, services, and products are required for the establishment and operation of a Code Ninjas Studio. The Franchised Center is not required to be open during all normal business hours, but instead must operate

during the times that customers have selected for access through a designated reservation system and in accordance with the Manuals.

4) Required Opening Date. The Required Opening Date under Section 5.4 shall be on or before one hundred twenty (120) days following the Effective Date.

5) Franchisee Fee. The Franchise Fee under Section 4.1 of the Franchise Agreement shall be Fifteen Thousand Dollars (\$15,000). If the Franchised Center is not open and operating within one hundred twenty (120) days following the Effective Date, Franchisor may, at its option, terminate the Franchise Agreement without providing any refund to Franchisee.

6) Royalty Fee. The Royalty Fee under Section 4.3 of the Franchise Agreement shall be twelve percent (12%) of Net Sales. The obligation of Franchisee to pay the Royalty Fee will apply for any Net Sales generated or collected during the term of the Franchise Agreement, provided that if Franchisee has not opened the Franchised Location on or before the Required Opening Date, in addition to the standard Royalty Fee for amounts collected as Net Sales, Franchisee will pay a minimum royalty fee of Five Hundred Dollars (\$500.00) per month to Franchisor until Franchisee opens the Franchised Center for business.

7) Compliance. In addition to the compliance obligations listed in Section 8.14 of the Franchise Agreement, Franchisee must also ensure its operations meet the requirements of the location in which the Franchised Center is operating, whether imposed by a lease, other agreement, or rules imposed by the landlord or other party controlling the space.

8) Maintenance of Premises. Due to the nature of a Code Ninjas Studio, to the extent Franchisee controls the Franchised Center and Premises, it must maintain the Franchised Center and Premises in a clean and orderly condition. Franchisee is not obligated to make repairs and replacements to the Franchised Center and Premises under Section 8.20 of the Franchise Agreement, but if Franchisee is aware of any repairs or replacements that should be made, Franchisee must request of the landlord or other party controlling the space that such repairs or replacement be made.

9) Video Feed. Notwithstanding Sections 7.1.5 and 7.1.6 of the Franchise Agreement, Franchisee shall not be required to install video cameras in the Franchised Center nor provide Franchisor with access to video feed of the Franchised Center.

10) Trademark. Under Sections 9.3.3 and 9.3.4 of the Franchise Agreement, Franchisee shall operate and advertise the Franchised Center only under the name(s) "Code Ninjas" and/or "Code Ninjas Studio," as directed by Franchisor, and use the Proprietary Marks without prefix or suffix, unless otherwise authorized or required by Franchisor. Nothing in this section 10 shall otherwise modify the limitations on Franchisee's use of the Proprietary Marks under Sections 9.3.3 and 9.3.4 of the Franchise Agreement.

11) Insurance. Notwithstanding Section 14.2 of the Franchise Agreement, insurance policies shall include coverages, umbrella coverages, and policy limits specific to Code Ninjas Studios as may reasonably be specified from time to time by Franchisor in the Manuals or otherwise in writing.

12) Transfer. Notwithstanding Section 15.2 of the Franchise Agreement, if Franchisee received, due to being an existing franchisee, a waiver of the Franchise Fee for a Code Ninjas Studio, Franchisee may not transfer, pledge or otherwise encumber its rights and/or obligations under the Franchise Agreement during the eighteen (18) months following the date on which the Franchised Center opens.

13) Termination. Notwithstanding Section 16.3.4 of the Franchise Agreement, Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate the Franchise Agreement and all

rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately by giving written notice to Franchisee (in the manner provided under Section 24 of the Franchise Agreement), if Franchisee's action or inaction, at any time, results in the loss of the right to access or use the space in which the Franchised Center operates, or forfeiture of the right to do or transact business in the jurisdiction where the Franchised Center is located.

14) Approved Location Upon Termination or Expiration. Section 17.4 of the Franchise Agreement shall apply only to the extent that Franchisee shall, at the option of Franchisor, assign to Franchisor any right or interest which Franchisee has to the space in which the Franchised Center operates.

15) Representation of Authority. By signing this Rider below on behalf of Franchisee, the undersigned represents that he or she is duly authorized and has legal capacity to execute and deliver this Rider. The undersigned representative of Franchisee represents and warrants to Franchisor that the execution and delivery of this Rider and the performance of such party's obligations hereunder have been duly authorized, and that the Rider is a valid and legal agreement binding on Franchisee and enforceable in accordance with its terms.

In witness of their agreement, authorized representatives of the parties have signed this Rider on the date(s) set forth below, to be effective as of the effective date first stated above.

FRANCHISEE:

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

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

FRANCHISOR:

CODE NINJAS, LLC

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

**CODE NINJAS, LLC
FRANCHISE AGREEMENT
EXHIBIT K
STATE ADDENDA**

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE ADDENDA TO THE
FRANCHISE AGREEMENT**

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS ADDENDUM (the "**Addendum**") is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company ("**Franchisor**") with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ ("**Franchisee**"), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Franchised Center that Franchisee will operate under the Franchise Agreement will be located in Illinois, and/or (b) Franchisee is domiciled in Illinois.

2. **FORUM FOR LITIGATION.** The following sentence is added to the end of Section 16.2 ("Consent to Jurisdiction") of the Franchise Agreement:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void.

3. **GOVERNING LAW.** Section 27.1 of the Franchise Agreement is deleted and replaced with the following:

Illinois law shall govern this Agreement.

4. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as Section 17.17 of the Franchise Agreement:

17.17 Illinois Franchise Disclosure Act. Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Franchisee's rights upon termination and non-renewal of a franchise agreement are set forth in Section 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ (“**Franchisee**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Maryland, and/or (b) the Franchised Center that Franchisee will operate under the Franchise Agreement will be located in Maryland.

2. **RELEASES.** The following is added to the end of Sections 2.2.4, 15.3.3, and 15.4 of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY.** The following sentence is added to the end of Section 16.1 of the Franchise Agreement:

Section 16.1 may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **FORUM FOR LITIGATION.** The following language is added to the end of Section 27.4 (“Consent to Jurisdiction”) of the Franchise Agreement:

Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **GOVERNING LAW.** The following sentence is added to the end of Section 27.1 (“Governing Law”) of the Franchise Agreement:

Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

6. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 27.8 (“Limitation”) of the Franchise Agreement:

Franchisee must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after Franchisor grant Franchisee the franchise.

7. **ACKNOWLEDGMENTS.** The following is added as a new Section 29 to the end of the Franchise Agreement and to the Franchisee Disclosure Questionnaire:

29. **ACKNOWLEDGEMENTS.**

All representations requiring Franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. **FINANCIAL ASSURANCE.** Based on our financial condition, the State of Maryland has required a financial assurance. Therefore, we have posted a surety bond with the State of Maryland guaranteeing our obligations under the Franchise Agreement. You may contact the state agency listed in Exhibit A of our Franchise Disclosure Document for more information.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS ADDENDUM (the "**Addendum**") is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company ("**Franchisor**") with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ ("**Franchisee**"), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the Franchised Center that Franchisee will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **RELEASES.** The following is added to the end of Sections 2.2.4, 15.3.3, and 15.4 of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **RENEWAL TERM AND TERMINATION TERM.** The following is added to the end of Sections 2.2 and 16.4 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following sentence is added to the end of Section 9.4.13 of the Franchise Agreement:

Provided Franchisee has complied with all provisions of this Agreement applicable to the Marks, Franchisor will protect Franchisee's right to use the Marks and will indemnify Franchisee from any loss, costs or expenses arising out of any claims, suits or demands regarding Franchisee's use of the Marks in accordance with Minn. Stat. Sec. 80C.12, Subd. 1(g).

1. **FORUM FOR LITIGATION.** The following language is added to the end of Section 27.4 of the Franchise Agreement:

NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF MINNESOTA. NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF FRANCHISEE'S RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80.C OR FRANCHISEE'S RIGHTS TO ANY

PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

2. **GOVERNING LAW.** The following statement is added at the end of Section 27.1 of the Franchise Agreement:

NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF FRANCHISEE'S RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR FRANCHISEE'S RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

3. **MUTUAL WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES.** If and then only to the extent required by the Minnesota Franchises Law, Sections 27.6 and 27.7 of the Franchise Agreement are deleted.

4. **LIMITATION OF CLAIMS.** The following is added to the end of Section 27.8 of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

5. **INJUNCTIVE RELIEF.** Section 18.9 of the Franchise Agreement is deleted and replaced with the following:

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and seek injunctive relief against conduct that threatens to injure or harm us, the Marks or the System, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Franchisee agrees that Franchisor may seek such injunctive relief. Franchisee agrees that its only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon due hearing, and Franchisee hereby expressly waives any claim for damages caused by such injunction. A court will determine if a bond is required.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT FOR USE IN THE
STATE OF NEW YORK**

THIS ADDENDUM (the "**Addendum**") is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company ("**Franchisor**") with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ ("**Franchisee**"), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, (the "Franchise-Agreement"). This Addendum is being signed because (a) Franchisee is domiciled in the State of New York and the Franchised Center that Franchisee will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **FRANCHISOR'S RIGHTS TO TRANSFER.** The following language is added to the end of Section 15.1 of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee that, in Franchisor's good faith judgment, is willing and able to assume Franchisor's obligations under this Agreement.

3. **RELEASES.** The following language is added to the end of Sections 2.2.4, 8.26, and 15.3.3 of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by Franchisee and any causes of action arising in Franchisee's 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION OF AGREEMENT - BY FRANCHISEE.** The following language is added as Section 16.6 of the Franchise Agreement:

Franchisee also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **INJUNCTIVE RELIEF.** The following sentence is added to the end of Section 18.9:

Franchisor's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

6. **FORUM FOR LITIGATION.** The following statement is added at the end of Section 27.4 of the Franchise Agreement:

This section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

7. **GOVERNING LAW.** The following is added to the end of Section 27.1 of the Franchise Agreement:

This section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS ADDENDUM (the "**Addendum**") is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company ("**Franchisor**") with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ ("**Franchisee**"), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is a resident of North Dakota and the Franchised Center that Franchisee will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Sections 2.2.4, 15.3.3, and 15.4 of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** The following is added to the end of Section 18.3 of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **GOVERNING LAW.** Section 27.1 of the Franchise Agreement is deleted and replaced with the following:

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, AND EXCEPT AS OTHERWISE REQUIRED BY NORTH DAKOTA LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND FRANCHISEE WILL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

5. **FORUM FOR LITIGATION.** The following is added to the end of Section 27.4 of the Franchise Agreement:

NOTWITHSTANDING THE FOREGOING, TO THE EXTENT REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW, AND SUBJECT TO FRANCHISEE'S MEDIATION AND ARBITRATION OBLIGATIONS, FRANCHISEE

MAY BRING AN ACTION IN NORTH DAKOTA FOR CLAIMS ARISING UNDER
THE NORTH DAKOTA FRANCHISE INVESTMENT LAW.

6. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Sections 27.6 and 27.7 of the Franchise Agreement are deleted.

7. **LIMITATIONS OF CLAIMS.** To the extent required by the North Dakota Franchise Investment Law, Section 27.8 of the Franchise Agreement is deleted.

8. **FINANCIAL ASSURANCE.** Based on our financial condition, the State of North Dakota has required a financial assurance. Therefore, we have posted a surety bond with the State of North Dakota guaranteeing our obligations under the Franchise Agreement. You may contact the state agency listed in Exhibit A of our Franchise Disclosure Document for more information.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Franchisee**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Rhode Island, and the Franchised Center that Franchisee will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **NON-RENEWAL AND TERMINATION.** The following paragraph is added to the end of Sections 2.2 and 16.4:

Section 6-50-4 of the Rhode Island Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Law’s requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, Franchisee shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

3. **GOVERNING LAW / FORUM FOR LITIGATION.** The following language is added to the end of Sections 27.1 and 27.4 of the Franchise Agreement:

SECTION 19-28.1-14 OF THE RHODE ISLAND FRANCHISE INVESTMENT ACT PROVIDES THAT “A PROVISION IN A FRANCHISE AGREEMENT RESTRICTING JURISDICTION OR VENUE TO A FORUM OUTSIDE THIS STATE OR REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE IS VOID WITH RESPECT TO A CLAIM OTHERWISE ENFORCEABLE UNDER THIS ACT.” TO THE EXTENT REQUIRED BY APPLICABLE LAW, RHODE ISLAND LAW WILL APPLY TO CLAIMS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN VIRGINIA**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Franchisee**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Virginia and the Franchised Center that Franchisee will operate under the Franchise Agreement will be located in Virginia, and/or (b) Franchisee is domiciled in Virginia.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

THIS ADDENDUM (the "**Addendum**") is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company ("**Franchisor**") with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ ("**Franchisee**"), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Washington; and/or (b) the Franchised Center that Franchisee will operate under the Franchise Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in Franchisee's relationship with the Franchisor including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the Franchise Agreement in Franchisee's relationship with the Franchisor, including the areas of termination and renewal of the franchise.

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

A release or waiver of rights executed by Franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

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

RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting a Franchisee from (i) soliciting or hiring any employee of a franchisee of the Franchisor or (ii) soliciting or hiring any employee of the Franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

3. FINANCIAL ASSURANCE.

Based on our financial condition, the State of Washington has required financial assurance. Therefore, we have posted a surety bond with the State of Washington guaranteeing our obligations under the Franchise Agreement. You may contact the state agency listed in Exhibit A of the Franchise Disclosure Document for more information.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN WISCONSIN**

THIS ADDENDUM (the "**Addendum**") is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company ("**Franchisor**") with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ ("**Franchisee**"), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Wisconsin and the Franchised Center that Franchisee will operate under the Franchise Agreement will be located in Wisconsin; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Wisconsin.

2. **NON-RENEWAL AND TERMINATION.** The following paragraph is added to the end of Sections 2.2 and 16.4:

Section 135.04 of the Wisconsin Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Law's requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, Franchisee shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

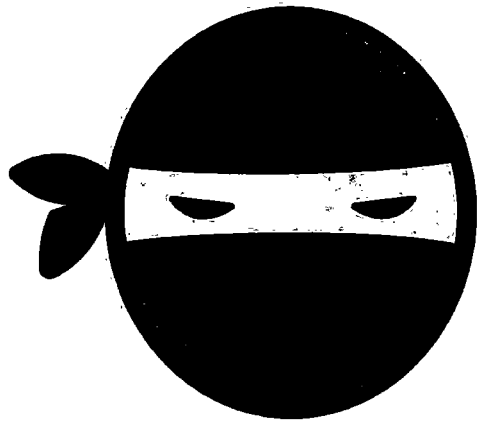
[Print Name]

[Signature]

[Print Name]

Date: _____

EXHIBIT D
AREA DEVELOPMENT AGREEMENT



CODE NINJAS

CODE NINJAS, LLC

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPER

DEVELOPMENT AREA

EFFECTIVE DATE OF AGREEMENT

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. GRANT	1
2. TERM	3
3. DEVELOPMENT OBLIGATIONS	4
4. DEVELOPMENT FEE AND INITIAL FRANCHISE FEE	6
5. DUTIES OF THE PARTIES	6
6. DEFAULT AND TERMINATION	7
7. TRANSFER OF INTEREST	9
8. COVENANTS	10
9. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP	12
10. NOTICES	13
11. PERMITS AND COMPLIANCE WITH THE LAWS	13
12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION	13
13. APPROVALS AND WAIVERS	14
14. SEVERABILITY AND CONSTRUCTION	14
15. ENTIRE AGREEMENT	15
16. APPLICABLE LAW AND DISPUTE RESOLUTION	16
17. ACKNOWLEDGMENTS	18

EXHIBITS:

EXHIBIT A – DATA SHEET

EXHIBIT B – LIST OF AREA DEVELOPER'S PRINCIPALS AND DESIGNATED PRINCIPAL

EXHIBIT C – GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGEMENT

EXHIBIT D – AREA DEVELOPER CERTIFICATION

EXHIBIT E – CODE NINJAS STUDIO RIDER

EXHIBIT F – STATE ADDENDA

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (the “**Agreement**”) is made and entered into on this _____ day of _____, 20____ (the “**Effective Date**”), by and between:

- ◆ Code Ninjas, LLC, a Texas limited liability company, whose principal place of business is 11200 Broadway Street, Suite 2731, Pearland, Texas 77584 (“**Franchisor**”); and
- ◆ _____ a [resident of]
[corporation organized in] [limited liability company organized in] [select one], having offices at _____
_____. (“**Area Developer**”).

BACKGROUND:

A. Franchisor owns a format and system (the “**System**”) relating to the establishment and operation of centers that feature and operate under the Proprietary Marks (as defined below) (each a “**Code Ninjas Center**”). Code Ninjas Centers provide child focused educational programs, including subjects such as computer programming, coding, math, logic and teamwork, under the name “Code Ninjas.”

B. The distinguishing characteristics of the System include distinctive interior design, decor, color schemes, fixtures, and furnishings; standards and specifications for products, services, equipment, materials, and supplies; uniform standards, specifications, and procedures for operations; purchasing and sourcing procedures; training and assistance; and marketing and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by means of certain indicia of origin, emblems, trade names, service marks, logos, and trademarks, including applications and/or registrations therefor, as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System including the mark “Code Ninjas” and other marks (the “**Proprietary Marks**”).

D. Area Developer desires to obtain certain development rights to open and operate Code Ninjas Centers under the System and the Proprietary Marks, as well as to receive other assistance provided by Franchisor in connection therewith.

NOW THEREFORE, the parties agree as follows:

1. **GRANT**

1.1 **Grant and Acceptance.** Franchisor grants development rights to Area Developer, and Area Developer undertakes the obligation, pursuant to the terms and conditions of this Agreement, to develop no less than the number of Code Ninjas Centers (the “**Franchised Centers**”) as set forth in Exhibit A to this Agreement. In this regard, the parties further agree that:

1.1.1 Each Franchised Center developed hereunder shall be operated pursuant to a separate Code Ninjas, LLC Franchise Agreement (a “**Franchise Agreement**”) that shall be executed as provided in Section 3.4 below.

1.1.2 For each Franchised Center to be developed under this Agreement, Area Developer shall execute the Franchise Agreement for such Franchised Center in accordance with the

deadlines set forth in the development schedule specified in Paragraph 1 of Exhibit A to this Agreement (the "**Development Schedule**").

1.1.3 Each Franchised Center developed hereunder shall be at a specific location, which shall be designated in the Franchise Agreement, that is within in the area described in Paragraph 2 of Exhibit A to this Agreement (the "**Development Area**").

1.2 **Development Area.** Except as otherwise set forth herein (including, without limitation, the rights retained by Franchisor as described in Section 1.3), during the term of this Agreement, and so long as Area Developer is in compliance with its obligations under this Agreement and all of the Franchise Agreements between Area Developer (including any affiliate of Area Developer), Franchisor shall not establish or operate, or license anyone other than Area Developer to establish or operate, a Code Ninjas Center under the Proprietary Marks and System at any location that is within the Development Area.

1.3 **Franchisor's Reserved Rights.** Notwithstanding anything to the contrary, Franchisor retains the following rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Area Developer any rights therein:

1.3.1 To own, acquire, establish, and/or operate and license others to establish and operate, Code Ninjas Centers under the System at any location outside the Development Area notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of the Franchised Centers;

1.3.2 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar or different from Code Ninjas Centers, at any location within or outside the Development Area, notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of the Franchised Centers;

1.3.3 To sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers, distributors, catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet), including products bearing Franchisor's Proprietary Marks; and

1.3.4 To (i) acquire one or more retail businesses that are the same as, or similar to, Code Ninjas Centers then operating under the System (each an "**Acquired Business**"), which may be at any location within or outside the Development Area notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of the Franchised Centers, and to (ii) operate and/or license others to operate any Acquired Business under its existing name or as a Code Ninjas Center under the System, subject to the following conditions that apply to each Acquired Business located within the Development Area:

1.3.4.1 Provided that Area Developer is in compliance with this Agreement and any other agreement with Franchisor, Franchisor may, in its sole discretion, offer to Area Developer the option to purchase and operate, as a Code Ninjas Center, an Acquired Business that is purchased by Franchisor for operation by Franchisor or its affiliates. If Franchisor in its sole discretion offers to Area Developer such an option, Franchisor shall provide Area Developer with written notice of Franchisor's purchase of the Acquired Business(es), the terms and conditions applicable to the Area Developer's option to purchase such Acquired Business(es), and such other information that Franchisor deems necessary to include in the notice. The terms and conditions offered to Area Developer shall include, without limitation, the following: (a) the

purchase price will be based on Franchisor's purchase price for such Acquired Business, and if the Acquired Business was part of an Acquired System (as defined below), then Area Developer's purchase price for such Acquired Business shall be determined using a ratio equal to the sales during the prior year of such Acquired Business as compared to the total sales in such prior year of all Acquired Businesses purchased by Franchisor in the same transaction; and (b) the requirement that Area Developer enter into Franchisor's then-current form of System franchise agreement for the Acquired Business, provided that Area Developer shall not be required to pay an initial franchise fee for an Acquired Business. If Area Developer does not elect to purchase, or fails to complete the purchase of, an Acquired Business, Franchisor shall retain its right to operate itself, or through its affiliates or third party licensees or franchisees, the Acquired Business under any trade name or trademarks including the Proprietary Marks. If an Acquired Business is part of a system of retail businesses that Franchisor acquires (an "**Acquired System**"), Franchisor may also license to a licensee or franchisee under the Acquired System additional units of the Acquired System that the licensee or franchisee has the right to develop and operate within the Development Area.

1.4 **No Rights to Use the System.** This Agreement is not a Franchise Agreement, and does not grant to Area Developer any right to use the Proprietary Marks or the System or to sell or distribute any products or services. Area Developer's rights to use the Proprietary Marks and System will be granted solely under the terms of the Franchise Agreement.

2. **TERM**

Unless sooner terminated in accordance with the provisions of this Agreement, this Agreement shall commence on the date hereof and shall expire on the earlier of (i) the date the final Franchise Agreement is executed by Area Developer in accordance with the required minimum cumulative number of Franchise Agreements to be executed for Franchised Centers to be located in the Development Area as set forth in the Development Schedule, as shown in Paragraph 1 of Exhibit A; or (ii) the final date set forth in the Development Schedule, as shown in Paragraph 1 of Exhibit A (the "**Expiration Date**").

3. **DEVELOPMENT OBLIGATIONS**

3.1 **Time is of the Essence.** Recognizing that time is of the essence, Area Developer shall comply strictly with the Development Schedule. Area Developer acknowledges and agrees that the Development Schedule requires that Area Developer have executed and delivered to Franchisor Franchise Agreements for a cumulative number of Franchised Centers by the end of the time periods specified in Exhibit A.

3.2 **Identifying and Securing Sites.** Area Developer shall be solely responsible for identifying, submitting for Franchisor's approval, and securing specific sites for each Franchised Center. The following terms and conditions shall apply to each Franchised Center to be developed hereunder:

3.2.1 Area Developer shall submit to Franchisor, in a form specified by Franchisor, a completed site approval package, which shall include; (i) a site approval form prescribed by Franchisor; (ii) a trade area and site marketing research analysis (prepared by a company approved in advance by Franchisor); (iii) an option contract, letter of intent, or other evidence satisfactory to Franchisor which describes Area Developer's favorable prospects for obtaining such site; (iv) photographs of the site; (v) demographic statistics; and (vi) such other information or materials as Franchisor may reasonably require (collectively, the "**SAP**"). Franchisor shall have twenty (20) business days after receipt of the SAP from Area Developer to approve or disapprove, in its sole discretion, the proposed site for the Franchised Center. In the event Franchisor does not approve a proposed site by written notice to Area Developer within said twenty (20) business days, such site

shall be deemed disapproved by Franchisor. No site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

3.2.2 Following Franchisor's approval of a proposed site, Area Developer shall use its best efforts to secure such site, either through a lease/sublease that is acceptable to Franchisor, as provided in Section 3.3 below. Area Developer shall immediately notify Franchisor of the execution of the approved lease or binding purchase agreement. The site approved and secured pursuant to this Agreement shall be specified as the "Approved Location" under the Franchise Agreement executed pursuant to Section 3.4 below.

3.2.3 Area Developer hereby acknowledges and agrees that approval by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Center or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Area Developer and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Area Developer's expectations as to revenue or operational criteria.

3.3 **Lease Terms.** For each Franchised Center to be developed hereunder, if Area Developer will occupy the premises from which the Franchised Center will be operated under a lease or sublease, Area Developer shall, prior to execution of such lease, submit the lease to Franchisor for its review and approval; provided, however, if pre-submission to Franchisor is not possible, then Area Developer may sign the lease only on the condition, agreed to in writing by the lessor, that the lease shall become null and void if Franchisor does not approve such lease. Franchisor's approval of the lease or sublease may be conditioned upon the inclusion of such provisions as Franchisor may reasonably require. A Lease Rider containing Franchisor's current requirements is included as an exhibit to the Franchise Agreement, which Area Developer must execute and must cause to be executed by the landlord to its lease as a condition to Franchisor's approval hereunder.

3.4 **Franchise Agreements.** With respect to the Franchise Agreements to be executed for the Franchised Centers to be developed pursuant to this Agreement, the following terms and conditions shall apply:

3.4.1 The Franchise Agreement for the first Franchised Center to be developed under this Agreement shall be executed simultaneously with the execution of this Agreement.

3.4.2 The Franchise Agreement for each subsequent Franchised Center to be developed under this Agreement shall be Franchisor's then-current form of Franchise Agreement, the terms of which may differ from the terms of the Franchise Agreement executed simultaneously with this Agreement including, without limitation, higher and/or additional fees.

3.4.3 Franchisor shall permit one or more Franchise Agreements to be executed by entities other than Area Developer; provided that (a) each such franchisee entity is controlled by, or under common control with, Area Developer, and (b) the Area Developer and all Principals (as defined in Section 9.1 below) of Area Developer requested by Franchisor execute guarantees, guarantying to Franchisor the timely payment and performance of franchisee's obligations under the Franchise Agreement.

3.4.4 Area Developer must execute each Franchise Agreement in accordance with the Development Schedule. Failure to timely execute a Franchise Agreement as required by this Section 3.4 will constitute a default under this Agreement. Area Developer shall thereafter comply with all pre-opening and opening requirements set forth in the Franchise Agreement relating to the Franchised Center.

3.5 **Force Majeure Events.** Neither party shall be responsible for non-performance or delay in performance occasioned by a “force majeure,” which means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, or other calamity, strike or other labor dispute, epidemic or pandemic, or any other cause beyond the reasonable control of such party; provided, however, force majeure shall not include Area Developer’s lack of adequate financing, and no event of force majeure shall relieve a party of the obligation to pay any money under this Agreement. If any delay occurs, any applicable time period hereunder shall be automatically extended for a period equal to the time lost; provided, however, that Area Developer shall make reasonable efforts to correct the reason for such delay and give Franchisor prompt written notice of any such delay.

4. **DEVELOPMENT FEE AND INITIAL FRANCHISE FEE**

4.1 **Area Development Fee.** In consideration of the development rights granted herein, upon execution of this Agreement, Area Developer shall pay an area development fee (“Area Development Fee”) that is equal to Thirty One Thousand Dollars (\$31,000) multiplied by the number of Franchised Centers to be developed and opened within the Development Area during the term of this Agreement and in accordance with the Development Schedule, the total amount of such Area Development Fee is specified in Paragraph 3 of Exhibit A. Receipt of the Area Development Fee is hereby acknowledged. The Area Developer expressly acknowledges and agrees that the Area Development Fee is fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted herein to Area Developer, even if Area Developer does not enter into any Franchise Agreements pursuant to this Agreement.

4.2 **Credit Towards Franchise Fee.** Area Developer will not pay an initial franchise fee (“Franchise Fee”) for any of the Code Ninjas Centers to be developed under this Agreement.

5. **DUTIES OF THE PARTIES**

5.1 **Franchisor’s Assistance.** Franchisor shall furnish to Area Developer the following:

5.1.1 Site selection guidelines, including Franchisor’s minimum standards for Code Ninjas Center sites and sources regarding demographic information, and such site selection counseling and assistance as Franchisor may deem advisable.

5.1.2 Such on-site evaluation as Franchisor deems advisable in response to Area Developer’s request for site approval for each Franchised Center; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to the receipt of a SAP for such site prepared by Area Developer pursuant to Section 3.2.

5.2 **Designated Principal.** If Area Developer is other than an individual, Area Developer shall designate, subject to Franchisor’s reasonable approval, one Principal (as defined in Section 9.1) who is both an individual person and owns at least a ten percent (10%) of Area Developer, and who shall be responsible for general oversight and management of the development of the Franchised Centers under this Agreement and the operations of all such Franchised Centers open and in operation on behalf of Area Developer (the “Designated Principal”). Area Developer acknowledges and agrees that Franchisor shall

have the right to rely upon the Designated Principal to have been given, by Area Developer, the responsibility and decision-making authority regarding the Area Developer's business and operation. In the event the person designated as the Designated Principal becomes incapacitated, leaves the employ of Area Developer, transfers his/her interest in Area Developer, or otherwise ceases to supervise the development of the Franchised Centers, Area Developer shall promptly designate a new Designated Principal, subject to Franchisor's reasonable approval.

5.3 Records and Reports to Franchisor. Area Developer shall, at Area Developer's expense, comply with the following requirements to prepare and submit to Franchisor the following reports, financial statements and other data, which shall be prepared in the form and using the standard statements and chart of accounts as Franchisor may prescribe from time to time:

5.3.1 No later than the twentieth (20th) day of each calendar month, Area Developer shall have prepared a profit and loss statement reflecting all of Area Developer's operations during the last preceding calendar month, for each Franchised Center. Area Developer shall prepare profit and loss statements on an accrual basis and in accordance with generally accepted accounting principles. Area Developer shall submit such statements to Franchisor at such times as Franchisor may designate or as Franchisor may otherwise request.

5.3.2 On April 15th of the year following the end of Area Developer's fiscal year, a complete annual financial statement (prepared according to generally accepted accounting principles), on a compilation basis, and if required by Franchisor, such statements shall be prepared by an independent certified public accountant.

5.3.3 Such other forms, reports, records, information, and data as Franchisor may reasonably designate.

5.4 Maintaining Records. Area Developer shall maintain during the term of this Agreement, and shall preserve for at least seven (7) years from the dates of their preparation, and shall make available to Franchisor at Franchisor's request and at Area Developer's expense, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles.

5.5 Area Developer to Provide Training. Area Developer agrees that, notwithstanding anything to the contrary in any Franchise Agreement, Area Developer shall be responsible for conducting the initial training of all required trainees (including, without limitation, the owners and management personnel) for the fourth (4th) and any subsequent Franchised Centers developed under this Agreement, in accordance with the requirements and conditions as Franchisor may from time to time establish for the initial training. By no later than the time Area Developer is seeking Franchisor's approval to develop the fourth (4th) Franchised Center under this Agreement, Area Developer shall have completed to Franchisor's satisfaction all requirements and conditions necessary to obtain Franchisor's approval for Area Developer to conduct such training.

6. DEFAULT AND TERMINATION

6.1 Automatic Termination. Area Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Area Developer, if Area Developer becomes insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Area Developer or such a petition is filed against and not opposed by Area Developer; if Area Developer is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Area Developer or other custodian for Area Developer's business or assets is filed and consented to by Area Developer; if a receiver or other custodian (permanent or temporary) of Area Developer's assets or property, or any part thereof, is appointed by any court of

competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Area Developer; if final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Area Developer is dissolved; if execution is levied against any asset of Area Developer or Area Developer's Franchised Centers; if suit to foreclose any lien or mortgage against any asset of Area Developer or Area Developer's Franchised Centers is instituted against Area Developer and not dismissed within thirty (30) days; or if any asset of Area Developer's or any Franchised Center of Area Developer's shall be sold after levy thereupon by any sheriff, marshal, or constable.

6.2 **Termination Upon Notice.** Area Developer shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder or take any of the actions described in Section 6.5 below, without affording Area Developer any opportunity to cure the default, effective immediately upon the provision of notice to Area Developer (in the manner provided under Section 10 hereof), upon the occurrence of any of the following events of default:

6.2.1 If the Franchise Agreement for any Franchised Center operated by Area Developer (or an entity affiliated with Area Developer) is terminated.

6.2.2 If Area Developer or any Principal is convicted of a felony, a crime involving moral turpitude, or any other crime or action that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein.

6.2.3 If Area Developer or any Principal purports to transfer any rights or obligations under this Agreement or any the assets of Area Developer in a manner that is contrary to the terms of Section 7 of this Agreement.

6.2.4 If any Franchised Center operated by Area Developer (or an entity affiliated with Area Developer) at any time ceases to operate for a period of more than twenty four (24) hours, or is otherwise abandoned, unless such closure is approved in writing by Franchisor, or excused by *force majeure*.

6.2.5 If Area Developer misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System.

6.2.6 If Area Developer breaches any material provision of this Agreement which breach is not susceptible to cure.

6.3 **Missed Deadline.** Failure by Area Developer to meet a deadline under the Development Schedule (a "**Missed Deadline**") shall constitute a default under this Agreement. In such an event, Franchisor, in its discretion, may terminate this Agreement and all rights granted in accordance with this Agreement; or Franchisor, in its discretion, may elect, in lieu of terminating this Agreement, to take any of the actions described in Section 6.5 below.

6.4 **Notice and Opportunity to Cure Other Defaults.** Except as otherwise provided in Sections 6.1, 6.2, and 6.3 above, if Area Developer fails to comply with any material term and condition of this Agreement, such action shall constitute a default under this Agreement and, upon the occurrence of any such default, Franchisor may terminate this Agreement by giving written notice of termination stating the nature of such default to Area Developer at least thirty (30) days prior to the effective date of termination; provided, however, that Area Developer may avoid termination by curing the default to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor within the 30-day period. If any such default is not cured within the specified time, or such longer period as applicable law may

require, this Agreement and all rights granted hereunder (including but not limited to, the right to develop new Franchised Centers) will terminate without further notice to Area Developer effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

6.5 Franchisor's Other Options Upon Default. Franchisor, in its discretion, may elect, in lieu of terminating this Agreement, to use other remedial measures for Area Developer's breach of this Agreement, which include, but are not limited to: (i) loss of the limited exclusivity, or reduction in the scope of protections, granted to Area Developer under Section 1.2 herein for the Development Area; (ii) reduction in the scope of the Development Area; and/or (iii) reduction in the number of Franchised Centers to be developed by Area Developer. If Franchisor exercises said right, Franchisor shall not have waived its right to, in the case of future defaults, exercise all other rights and invoke all other provisions that are provided in law and/or set out under this Agreement.

6.6 No Further Rights. Upon termination or expiration of this Agreement, Area Developer shall have no right to establish or operate any Code Ninjas Center for which a Franchise Agreement has not been executed by Franchisor at the time of termination or expiration. Franchisor's remedies for Area Developer's breach of this Agreement shall include, without limitation, Area Developer's loss of its right to develop additional Franchised Centers under this Agreement, and Franchisor's retention of all area development fees paid or owed by Area Developer. Upon termination or expiration, Franchisor shall be entitled to establish, and to franchise others to establish, Code Ninjas Centers in the Development Area, except as may be otherwise provided under any Franchise Agreement which has been executed between Franchisor and Area Developer or Area Developer's affiliates (as permitted under Section 3.4.3 above).

6.7 Damages Upon Termination. In addition to the above, upon termination or expiration of this Agreement, Area Developer shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Area Development, such sums shall include, without limitation, all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default and termination, which obligation shall give rise to, and remain until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Area Developer at the time of default. Upon termination of this Agreement by reason of a default by Area Developer, Area Developer agrees to pay to Franchisor within fifteen (15) days after the effective date of termination, in addition to the amounts owed hereunder, liquidated damages equal to an amount of Five Hundred Dollars (\$500.00) per month for the number of months remaining in each Franchise Agreement. Area Developer is required to sign with Franchisor as set forth on Exhibit A, had this Agreement not been terminated. The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages, and not a penalty.

7. TRANSFER OF INTEREST

7.1 Franchisor's Rights to Transfer. Franchisor shall have the right, without the need for Area Developer's consent, to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, provided that any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, Area Developer expressly affirms and agrees that Franchisor may sell its assets, its Proprietary Marks, or its System; may sell its securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by

another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring.

7.2 No Transfers Without Franchisor's Approval Area Developer understands and acknowledges that Franchisor has granted the rights hereunder in reliance on the business skill, financial capacity, and personal character of Area Developer or the Principals of Area Developer if Area Developer is not an individual. Accordingly, neither Area Developer nor any Principal shall sell, assign, transfer, pledge or otherwise encumber any direct or indirect interest in the Area Developer (including any direct or indirect interest in a corporate or partnership Area Developer), the rights or obligations of Area Developer under this Agreement, or any material asset of the Area Developer's business, without the prior written consent of Franchisor, which shall be subject to Sections 7.3 and 7.4 below and to all of the conditions and requirements for transfers set forth in the Franchise Agreement executed simultaneously with this Agreement that Franchisor deems applicable to a proposed transfer under this Agreement. In addition, Area Developer's first Franchised Center under its first Franchise Agreement must be open and operating, and Area Developer must be in compliance with the Development Schedule (and all other terms of this Agreement and all Franchise Agreements and other agreements between Area Development and its affiliates, and Franchisor).

7.3 Simultaneous Transfers Area Developer understands and acknowledges that any consent to a transfer of this Agreement shall, unless waived, be conditioned on, among other factors, the requirement that the proposed transfer of this Agreement is to be made in conjunction with a simultaneous transfer of all Franchise Agreements executed pursuant to this Agreement to the same approved transferee.

7.4 Transfer Fee At the request of Franchisor, Area Developer shall pay a transfer fee of an amount equal to Franchisor's then-current Franchise Fee for each Franchised Center that remains to be developed and opened in order to satisfy the Development Schedule, but not less than fifty percent (50%) of the Area Development Fee paid. Additionally, for any Franchise Agreements executed pursuant to this Agreement that are transferred, the transfer fee due under such Franchise Agreement(s) shall be paid to Franchisor pursuant to the terms of such Franchise Agreement(s).

7.5 Transfer to Entity Formed for by Area Developer Notwithstanding anything to the contrary in this Section 7, if Area Developer is an individual and seeks to transfer this Agreement to a corporation, partnership, or limited liability company formed for the convenience of ownership, the conditions of Sections 7.4 shall not apply, and Area Developer may undertake such transfer, provided that: (a) Area Developer owns one hundred percent (100%) of the equity interest in the transferee entity; (b) Area Developer and any other Principal(s) personally guarantee, in a written guaranty satisfactory to Franchisor, the performance of the obligations of the Area Developer under this Agreement; (c) Area Developer executes a Transfer of Franchise form as prescribed and approved by Franchisor; (d) such transferee entity is newly organized and its business purpose is confined exclusively to developing and operating the Franchised Centers; and (e) Area Developer and any other Principal(s) execute any and all other ancillary agreements as Franchisor may require.

8. COVENANTS

8.1 Confidential Information Area Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Area Developer by Franchisor, and shall disclose such information or materials only to such of Area Developer's employees or agents who must have access to it in connection with their employment. Area Developer shall not at any time, during the term of this Agreement or thereafter, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

8.2 **During the Term.** Area Developer specifically acknowledges that, pursuant to this Agreement, Area Developer will receive valuable specialized training and confidential information, which may include, without limitation, information regarding the operational, sales, advertising and promotional methods and techniques of Franchisor and the System. Area Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Area Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

8.2.1 Divert or attempt to divert any business or guest of any Code Ninjas Center or of any unit under the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

8.2.2 Unless released in writing by the employer, employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee or area developer of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

8.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined below). A "**Competitive Business**" shall be considered (i) any business offering educational opportunities for children; and/or (ii) any business that is the same as or similar to a Code Ninjas Center. Area Developer acknowledges and agrees that Area Developer shall be considered in default under this Agreement and that this Agreement will be subject to immediate termination as provided in Section 6.2 herein, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Area Developer (or, if Area Developer is other than an individual, each Principal that is subject to these covenants) engages in a Competitive Business that would violate this Section 8.2.3 if such person was subject to the covenants of this Section 8.2.3.

8.3 **After the Agreement and After a Transfer.** Area Developer covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years from the date of (a) a transfer permitted under Section 7 above; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 8.3; or (e) any or all of the foregoing, Area Developer shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, partnership, corporation, or other entity, own, maintain, operate, engage in, be employed by, or have any interest in any Competitive Business, which is, or is intended to be, located (i) within the Development Area (other than those Franchised Centers provided for in the Development Schedule), or (ii) within a radius of twenty (20) miles of any other Code Ninjas Center in operation or under construction on the effective date of termination or expiration located anywhere. Provided, however, that this provision shall not apply to the operation by Area Developer of any business under the System under a franchise agreement with Franchisor.

8.4 **Exception for Ownership in Public Entities.** Sections 8.2 and 8.3 hereof shall not apply to ownership by Area Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term "**publicly held corporation**" refers to a corporation which has outstanding securities that have been registered under the federal Securities Exchange Act of 1934.

8.5 **Personal Covenants.** At the request of Franchisor, Area Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 8

(including covenants applicable upon the termination of a person's relationship with Area Developer) and the provisions of Sections 6 and 7 of this Agreement (as modified to apply to an individual) from all managers and other personnel employed by Area Developer who have received or will receive training and/or other confidential information, or who are or may be involved in the operation or development of the Franchised Centers. Every covenant required by this Section 8.5 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

8.6 Covenants as Independent Clauses. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 8 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Area Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 8.

8.7 Franchisor's Right to Reduce Scope of the Covenants. Area Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 8.2 and 8.3 in this Agreement, or any portion thereof, without Area Developer's consent, effective immediately upon receipt by Area Developer of written notice thereof; and Area Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 15 hereof.

8.8 Covenants Survive Claims. Area Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 8. Area Developer agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 8.

8.9 Compliance with Laws. Area Developer represents and warrants to Franchisor that neither Area Developer (including, without limitation, any and all of its Principals, employees, directors, officers and other representatives) nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

9. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

9.1 List of Principals. If Area Developer is a corporation, limited liability company, or partnership, each owner of beneficial interest in Area Developer (each a "**Principal**"), and the interest of each Principal in Area Developer, shall be identified in Exhibit B to the Agreement. Area Developer shall maintain a list of all Principals and immediately furnish Franchisor with an update to the information contained in Exhibit B upon any change, which shall be made only in compliance with Section 7 above. As set forth in Section 5.2 above, the Designated Principal shall at all times have at least a ten percent (10%) interest in Area Developer.

9.2 Guaranty, Indemnification, and Acknowledgment. Each Principal shall execute a guaranty, indemnification, and acknowledgment of Area Developer's covenants and obligations under this Agreement in the form attached hereto as Exhibit C.

9.3 Corporations and Limited Liability Companies. If Area Developer is a corporation or limited liability company, Area Developer shall comply with the following requirements:

9.3.1 Area Developer shall be newly organized and its governing documents shall at all times provide that its activities are confined exclusively to developing and operating the Franchised Centers.

9.3.2 Area Developer shall, upon request of Franchisor, promptly furnish to Franchisor copies of Area Developer's articles of incorporation, bylaws, articles of organization, operating agreement and/or other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

9.3.3 Area Developer shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate or issued securities of Area Developer shall conspicuously include upon its face a statement, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 9.3.3 shall not apply to a publicly held corporation.

9.4 **Partnerships and Limited Liability Partnerships.** If Area Developer or any successor to or assignee of Area Developer is a partnership or limited liability partnership, Area Developer shall comply with the following requirements:

9.4.1 Area Developer shall be newly organized and its partnership agreement shall at all times provide that its activities are confined exclusively to developing and operating the Franchised Centers.

9.4.2 Area Developer shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

9.4.3 The partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

10. **NOTICES**

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party, and provided that Franchisor may provide Area Developer notice electronically to the email address included on the signature page of this Agreement, read receipt requested, unless and until a different email address has been designated by written notice to Franchisor. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

11. **PERMITS AND COMPLIANCE WITH THE LAWS**

11.1 **Compliance with Laws.** Area Developer shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business contemplated under this Agreement.

11.2 **Notice of Actions.** Area Developer shall notify Franchisor in writing within five (5) days of the receipt of any demand letter, commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency or other governmental

instrumentality, which may adversely affect the operation or financial condition of Area Developer and/or any Franchised Center established under this Agreement.

12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

12.1 **No Fiduciary Relationship.** Area Developer is an independent contractor. Franchisor and Area Developer are completely separate entities and are not fiduciaries, partners, joint venturers, or agents of the other in any sense and neither shall have the power to bind the other. No act or assistance given by either party to the other pursuant to this Agreement shall be construed to alter the relationship.

12.2 **Public Notice.** During the term of this Agreement, Area Developer shall hold itself out to the public as an independent contractor operating the business pursuant to an area development agreement with Franchisor. Area Developer agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of the fact in a conspicuous place in Area Developer's offices, the content of which Franchisor reserves the right to specify.

12.3 **No Assumption of Liability.** Nothing in this Agreement authorizes Area Developer to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Area Developer in Area Developer's operations hereunder, or for any claim or judgment arising therefrom against Area Developer or Franchisor.

12.4 **Indemnification.** Area Developer shall indemnify and hold Franchisor, Franchisor's owners and affiliates, and their respective officers, directors, and employees (the "**Indemnitees**") harmless against any and all causes of action, claims, losses, costs, expenses, liabilities, litigation, damages or other expenses (including, but not limited to, settlement costs and attorneys' fees) arising directly or indirectly from, as a result of, or in connection with Area Developer's operation of the business contemplated hereunder (notwithstanding any claims that the Indemnitees are or were negligent). Area Developer agrees that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnitees, the Indemnitees shall have the right, but not the obligation, in their discretion, to: (i) choose counsel, (ii) direct, manage and/or control the handling of the matter; and (iii) settle on behalf of the Indemnitees, and/or Area Developer, any claim against the Indemnitees. All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnitee shall be taken as prima facie evidence of Area Developer's obligation hereunder.

13. APPROVALS AND WAIVERS

13.1 **Approval Requests.** Whenever this Agreement requires the prior approval or consent of Franchisor, Area Developer shall make a timely written request to Franchisor therefor, and such approval or consent shall be in writing. Franchisor shall respond to Area Developer's timely requests in a reasonably timely and prompt manner.

13.2 **Non-waiver.** No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Area Developer with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Area Developer shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of

Franchisor to exercise any power or rights arising out of any breach or default by Area Developer of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Area Developer of any terms, covenants or conditions of this Agreement.

14. **SEVERABILITY AND CONSTRUCTION**

14.1 **Severable Parts.** Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

14.2 **Terms Surviving this Agreement.** Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination.

14.3 **No Rights on Third Parties.** Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Area Developer, Franchisor, officers, directors, shareholders, agents, and employees of Franchisor, and such successors and assigns of Franchisor, any rights or remedies under or by reason of this Agreement.

14.4 **Full Scope of Terms.** Area Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

14.5 **Franchisor's Application of its Rights.** Franchisor shall have the right to operate, develop and change the System in any manner that is not specifically precluded by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Area Developer a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its rights, on the basis of the information readily available to Franchisor, and its judgment of what is in its best interests and/or in the best interests of the Franchisor's franchise network, at the time its decision is made, without regard to whether: (i) other reasonable or even arguably preferable alternative decisions could have been made by Franchisor; (ii) the decision or action of Franchisor will promote its financial or other individual interest; (iii) Franchisor's decision or the action it take applies differently to Area Developer and one or more other franchisees or Franchisor's company-owned operations; or (iv) Franchisor's decision or the exercise of its right or discretion is adverse to Area Developer's interests. In the absence of an applicable statute, Franchisor will have no liability to Area Developer for any such decision or action. Franchisor and Area Developer intend that the exercise of Franchisor rights or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Area

Developer agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Area Developer's rights and obligations hereunder.

14.6 **Captions Only for Convenience.** All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

15. **ENTIRE AGREEMENT**

Franchisor and Area Developer, and any Principal, each acknowledge and warrant to each other that they wish to have all terms of this business relationship defined solely in and by this written Agreement. Recognizing the costs on both Franchisor and Area Developer which are uncertain, Franchisor and Area Developer, each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings which have been or may in the future be, exchanged between them, serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, Franchisor and Area Developer agree and promise each other that this Agreement supersedes and cancels any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or any other term), between Franchisor or anyone acting on its behalf and Area Developer or anyone acting on its behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such term) with respect to the rights and obligations of Franchisor and Area Developer or the relationship between them. Franchisor and Area Developer agree and promise each other that they have placed, and will place, no reliance on any such discussions or writings. In accordance with the foregoing, it is understood and acknowledged that this Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Area Developer concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Area Developer to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Section 15 is intended to disclaim any of the information contained in Franchisor's Franchise Disclosure Document or its attachments or exhibits. Any representations, warranties, inducements, promises, understandings or agreements between the parties, that are not in the Franchise Disclosure Document which you acknowledge receiving at least 14 days before signing this Agreement or paying any money, or in writing and signed by us and you, are void and not enforceable.

16. **APPLICABLE LAW AND DISPUTE RESOLUTION**

16.1 **Governing Law.** This Agreement takes effect upon its acceptance and execution by Franchisor, and shall be interpreted and construed under the laws of the State of Texas. In the event of any conflict of law, the laws of Texas shall prevail, without regard to, and without giving effect to, the application of Texas conflict of law rules. Nothing in this Section 16.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Texas or of any other state to which it would not otherwise be subject.

16.2 **Non-Binding Mediation.** Before any party may bring an action in arbitration or in court against the other, the parties must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding and shall be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. All mediation

proceedings will be conducted at a suitable location chosen by the mediator, which is within a five (5) mile radius of Franchisor's then current principal place of business, unless Franchisor agrees otherwise in writing. Notwithstanding anything to the contrary, this Section 16.2 shall not bar either party from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation. Mediation hereunder shall be concluded within forty five (45) days of Area Developer's receipt of the notice specifying the designated mediator or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Franchisor and Area Developer shall each bear its own costs of mediation, and each shall bear one-half (1/2) the cost of the mediator or mediation service. This Section 16.2 mandating non-binding mediation shall not be applicable to any claim or dispute arising under this Agreement or any other agreement between the parties which relates to the failure to pay fees or other monetary obligation(s) of either party under said agreement(s).

16.3 **Arbitration.** Franchisor and Area Developer agree that, except for controversies, disputes, or claims related to or based on improper use of the Proprietary Marks or confidential information, all controversies, disputes, or claims between Franchisor and Area Developer's affiliates, and Franchisor's and their respective shareholders, members, officers, directors, agents, and/or employees, and Area Developer (and/or Area Developer's owners, guarantors, affiliates, and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between Area Developer and Franchisor;
- (2) Franchisor's relationship with Area Developer;
- (3) the validity of this Agreement or any other agreement between Area Developer and Franchisor; or
- (4) any System standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association in the United States ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current rules. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a five (5) mile radius of Franchisor's then current principal place of business. The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

16.3.1 The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or applicable law), provided that the arbitrator may not declare any Proprietary Mark generic or otherwise invalid or, as expressly provided in Section 16.9 below, award any punitive, exemplary or multiple damages against either party.

16.3.2 Franchisor and Area Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. Franchisor and Area Developer further agrees that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within the

same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Area Developer or Franchisor.

16.3.3 Franchisor and Area Developer agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Franchisor's affiliates their respective shareholders, officers, directors, agents, and employees; and Area Developer (including owners, guarantors, affiliates, and employees) may not be consolidated with any other arbitration proceeding between Franchisor and any other person.

16.3.4 Despite Franchisor's and Area Developer's agreement to arbitrate, Franchisor and Area Developer each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Franchisor and Area Developer must contemporaneously submit Franchisor's dispute for arbitration on the merits as provided in this Section.

16.3.5 The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

16.4 **Consent to Jurisdiction.** Subject to the mediation and arbitration obligations in Sections 16.2 and 16.3, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county, where Franchisor's principal place of business is then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which Area Developer resides or the Development Area is located.

16.5 **No Rights Exclusive of Other Rights.** No right or remedy conferred upon or reserved to Franchisor or Area Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

16.6 **WAIVER OF JURY TRIAL.** FRANCHISOR AND AREA DEVELOPER IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER.

16.7 **Limitation.** Any and all claims and actions arising out of or relating to this Agreement and/or the relationship of Area Developer and Franchisor, brought by either party hereto against the other, whether in mediation, in arbitration or in court, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be forever barred.

16.8 **Intentionally Omitted.**

16.9 **WAIVER OF PUNITIVE DAMAGES.** FRANCHISOR AND AREA DEVELOPER HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER.

16.10 **Intentionally Omitted.**

16.11 **Injunctive Relief.** Nothing herein contained shall bar the right of Franchisor to obtain injunctive relief against threatened conduct that will cause it loss or damages under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

16.12 **Counterparts; Paragraph Headings; Pronouns.** This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument. All captions and paragraph headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. Each pronoun used herein shall be deemed to include the other number of genders.

16.13 **Attorneys' Fees.** In the event Franchisor is required to employ legal counsel or to incur other expense to enforce any obligation of Area Developer hereunder, or to defend against any claim, demand, action or proceeding by reason of Area Developer's failure to perform any obligation imposed upon Area Developer by this Agreement, Franchisor shall be entitled to recover from Area Developer the amount of all reasonable attorneys' fees of such counsel and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to or in preparation for or contemplation of the filing of such action or thereafter.

17. **ACKNOWLEDGMENTS**

17.1 **AREA DEVELOPER'S INVESTIGATION OF THE BUSINESS POSSIBILITIES.** AREA DEVELOPER ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS OF DEVELOPING AND OPERATING A CODE NINJAS CENTERS, AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF AREA DEVELOPER (OR, IF AREA DEVELOPER IS A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, THE ABILITY OF ITS PRINCIPALS) AS (AN) INDEPENDENT BUSINESSPERSON(S). FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND AREA DEVELOPER ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. AREA DEVELOPER ACKNOWLEDGES THAT THIS AGREEMENT CONTAINS ALL ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES, AND ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACT (WHETHER ORAL OR WRITTEN) ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. AREA DEVELOPER FURTHER ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED ON ANY REPRESENTATIONS ABOUT THE FRANCHISE BY THE FRANCHISOR, OR ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, THAT ARE CONTRARY TO THE STATEMENTS MADE IN THE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT OR TO THE TERMS AND CONDITIONS CONTAINED HEREIN, AND FURTHER REPRESENTS TO THE FRANCHISOR, AS AN INDUCEMENT TO ENTRY INTO THIS AGREEMENT, THAT AREA DEVELOPER HAS MADE NO MISREPRESENTATIONS IN OBTAINING THE FRANCHISE.

17.2 **Receipt of FDD and Complete Agreement.** Area Developer acknowledges that it received a complete copy of this Agreement, the attachments hereto, and agreements relating thereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed. Area Developer further acknowledges that it received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising", otherwise known as the Franchise Disclosure Document (FDD), at least

fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment by Area Developer for the rights granted under this Agreement. Area Developer further acknowledges that prior to receiving Franchisor's FDD, Franchisor advised Area Developer of the formats in which the FDD is made available, and any conditions necessary for reviewing the FDD in a particular format.

17.3 **Area Developer Read the Agreement and Consulted.** Area Developer acknowledges that it has read and understood Franchisor's FDD and this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Area Developer ample time and opportunity to consult with advisors of Area Developer's own choosing about the potential benefits and risks of entering into this Agreement.

17.4 **No Conflicting Obligations.** Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

17.5 **Patriot Act.** Area Developer represents and warrants that to its actual knowledge: (i) neither Area Developer, nor its officers, directors, managers, members, partners or other individual who manages the affairs of Area Developer, nor any Area Developer affiliate or related party, or any funding source for any Franchised Center, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury's Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "USA Patriot Act," as such lists may be amended from time to time (collectively, "**Blocked Person(s)**"); (ii) neither Area Developer nor any Area Developer affiliate or related party is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither Area Developer nor any Area Developer affiliate or related party is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither Area Developer nor any Area Developer affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Department of State's Debarred List, as such lists may be amended from time to time (collectively, the "**Lists**"); (v) neither Area Developer nor any Area Developer affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither Area Developer nor any Area Developer affiliate or related party will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. Area Developer agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

[SIGNATURE PAGE FOLLOWS]

**CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
SIGNATURE PAGE**

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

FRANCHISOR:
CODE NINJAS, LLC

AREA DEVELOPER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address for Notices:

Address for Notices:

Attn: Compliance Officer
Code Ninjas, LLC
11200 Broadway Street, Suite 2731
Pearland, Texas 77584

Email: _____
Telephone: _____
Fax: _____
Attn: _____

With copy to:

Meredith A. Bauer, Esq.
EntrePartner Law Firm, PLLC
575 Southeast 9th Street
Suite 95
Minneapolis, Minnesota 55414

CODE NINJAS, LLC AREA DEVELOPMENT AGREEMENT
EXHIBIT A
DATA SHEET

1. **Development Schedule** (see Section 1.1): Area Developer shall execute Franchise Agreements for the development and operation of _____ () Franchised Centers, within the Development Area in accordance with the following Development Schedule:

Center Number	Date by Which Franchise Agreement Must be Signed	Date by Which Franchised Center Must Be Open & Operating	Cumulative Number of Code Ninjas Centers to be Open and Operating by Area Developer in the Development Area
1	Date of this Agreement.		1
2			2
3			3

For the purposes of determining compliance with this Development Schedule, only the Code Ninjas Centers Area Developer actually opens and continuously operates in the Development Area for at least the first six (6) months after opening will be counted toward the number of Code Ninjas Centers required to be open and operated above.

The Expiration Date of this Agreement, as defined in Section 2, shall be the earlier of (i) the date the final Franchise Agreement is executed by Area Developer in accordance with the required minimum cumulative number of Franchise Agreements to be executed for Franchised Centers to be located in the Development Area as set forth in the Development Schedule above; or (ii) the final date set forth in the Development Schedule above.

2. **Development Area** (see Section 1.1): The Development Area shall be defined as the following:

If the Development Area references one or more sites yet to be determined, then Franchisor reserves the right to develop and operate Code Ninjas Centers in and around the above-described city, county, or area, and to sell franchises and grant territories to others – including through area development agreements – who will operate Code Ninjas Centers in and around the above-described area. Area Developer may then be required to choose a final location for a Code Ninjas Center outside of any protected territory given to any other franchisee or area developer, which final location may be outside of the area identified above.

3. **Area Development Fee** (see Section 4.1): In accordance with the total number of Franchised Centers to be developed and opened within the Development Area, the total Area Development Fee shall be \$_____.

CODE NINJAS, LLC

AREA DEVELOPER

Initial: _____ Date: _____

Initial: _____ Date: _____

CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT B
LIST OF PRINCIPALS & DESIGNATED PRINCIPAL

The following identifies all of Area Developer's Principals (as defined in Section 9.1 of the Area Development Agreement):

Name of Principal	Address, Telephone, E-mail	Interest (%) with Description
		Total %:

AREA DEVELOPER'S DESIGNATED PRINCIPAL

The following identifies Area Developer's Designated Principal (as defined in Section 5.2 of the Area Development Agreement):

Name of Designated Principal	Address, Telephone, E-mail	Interest (%) with Description

CODE NINJAS, LLC

AREA DEVELOPER

Initial: _____ Date: _____

Initial: _____ Date: _____

CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT C
GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to Code Ninjas, LLC ("**Franchisor**") to enter into the Area Development Agreement between Franchisor and _____ ("**Area Developer**"), dated _____, 20____ (the "**Agreement**"), the undersigned hereby unconditionally guarantees to Franchisor and Franchisor's successors and assigns that all of Area Developer's covenants and obligations, including, without limitation, monetary obligations, under the Agreement will be punctually paid and performed. This Guaranty, Indemnification, and Acknowledgment (this "**Guaranty**") is an unconditional, irrevocable and absolute guaranty of payment and performance and may not be cancelled, terminated, modified, or amended except by written agreement executed by both parties.

Upon demand by Franchisor, the undersigned hereby agrees to immediately make each payment required of Area Developer under the Agreement and waive any right to require Franchisor to: (a) proceed against Area Developer for any payment required under the Agreement; (b) proceed against or exhaust any security from Area Developer; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Area Developer; or (d) give notice of demand for payment by Area Developer. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Area Developer, or settle, adjust, or compromise any claims against Area Developer, and the undersigned hereby waives notice of same and agrees to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Area Developer to perform any obligation of Area Developer under the Agreement, any amendment thereto, or any other agreement executed by Area Developer referred to therein.

The undersigned hereby acknowledges and expressly agrees to be personally bound by all of the covenants contained in the Agreement, including, without limitation, those covenants contained in Sections 7 and 8. Signature by the undersigned on this Guaranty constitutes the undersigned's signature on the Agreement related to all covenants. The undersigned asserts that he or she has read such covenants, been advised by counsel regarding their effect, and hereby affirmatively agree to them in order to secure the rights granted to Area Developer by Franchisor under the Agreement. The undersigned further acknowledges and agrees that this Guaranty does not grant the undersigned any right to use the "Code Ninjas" marks or system licensed to Area Developer under the Agreement.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors, if any, will continue in full force and effect.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound thereto at any time. Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty.

The undersigned represents and warrants to Franchisor that neither the undersigned (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

Any and all notices required or permitted under this Guaranty shall be in writing and shall be personally delivered, in the manner provided under Section 10 of the Agreement.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with the Agreement. This Guaranty shall be governed by the dispute resolution provisions of the Agreement, and shall be interpreted and construed under the laws of the State of Texas. In the event of any conflict of law, the laws of the State of Texas shall prevail (without regard to, and without giving effect to, the application of Texas conflict of law rules).

IN WITNESS WHEREOF, the undersigned has executed this Guaranty, Indemnification and Acknowledgement as of the date of the Agreement.

GUARANTOR(S):

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT D
AREA DEVELOPER CERTIFICATION

The undersigned, personally and as an officer(s), member(s) or partner(s) of Area Developer, as applicable, does hereby certify that he/she has conducted an independent investigation of the business contemplated by this Area Development Agreement and the Code Ninjas, LLC Franchise Agreement, and that the decision to execute the Area Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he/she has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Area Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor or its affiliate operated Code Ninjas Centers that are contrary to or different from the information contained in Franchisor's Franchise Disclosure Document. The undersigned further certifies that he/she understands the risks involved in this investment and Code Ninjas, LLC makes no representation or guaranty, explicit or implied, that the Area Developer will be successful or will recoup his/her investment.

IN WITNESS WHEREOF, the undersigned have signed and delivered this Certificate this _____ day of _____, 20____.

AREA DEVELOPER

By: _____
Name: _____
Title: _____

Each of the undersigned Principals own a beneficial interest in Area Developer and has read the Area Development Agreement, agree to be individually bound by all obligations of Area Developer hereunder and certify the foregoing:

By: _____
Name: _____

By: _____
Name: _____

By: _____
Name: _____

By: _____
Name: _____

By: _____
Name: _____

By: _____
Name: _____

**CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT E
CODE NINJAS STUDIO RIDER**

THIS RIDER (this "Rider") is entered into as of _____, 20__ between CODE NINJAS, LLC (hereinafter "Franchisor") and _____ (hereinafter "Area Developer" or "you") to amend that certain Area Development Agreement executed by the parties on even date herewith (the "Development Agreement").

WHEREAS, in addition to Franchisor's traditional model, in which franchised locations are situated in fixed retail locations displaying interior trade dress (each, a "Code Ninjas Center"), Franchisor also offers a model in which franchised locations instead set up permanent operations in a secondary use space (each, a "Code Ninjas Studio"); and

WHEREAS, Area Developer has requested that certain of its Franchised Centers be designated as "Code Ninjas Studios," and Franchisor has agreed on the terms and conditions set forth in this Rider.

NOW, THEREFORE, Franchisor and Area Developer agree that the Development Agreement is amended as follows:

1) Capitalized Terms; Conflict with Development Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Development Agreement. The term "Franchised Centers" shall refer to Area Developer's Code Ninjas Studios. References to Code Ninjas Centers shall also apply to Code Ninjas Studios. In the event of a conflict between the terms and provisions of this Rider and the Development Agreement, this Rider shall control.

2) Optional Designation. Area Developer acknowledges that its election to have its Franchised Centers designated as Code Ninjas Studios is optional, and that it will comply with all requirements, standards and specifications as Franchisor may adopt from time to time with respect to the operation of Code Ninjas Studio during the term of each respective Franchise Agreement signed under the Development Agreement.

3) Location. Notwithstanding Section 1.1.3 of the Development Agreement, each Franchised Center developed under the Development Agreement shall be at a specific location, which shall be designated in the Franchise Agreement and may change from time to time with Franchisor's prior written approval in accordance with the Franchise Agreement, that is within in the area described in Paragraph 2 of Exhibit A to the Development Agreement.

4) Nature of Code Ninjas Studios; Securing Locations. Due to the nature of Code Ninjas Studios and Area Developer's ability to operate its Franchised Centers in shared or community spaces that may change from time to time, Area Developer shall periodically, as required, secure sites in the Development Area in which to operate Franchised Centers. Each site must meet Franchisor's then-current requirements for Code Ninjas Studios, including without

limitation the overall quality of the finishes, look and feel of the space, as well as its furniture, fixtures and equipment, and must be approved in writing by Franchisor following submission by Area Developer of required information about the site. For each site, Area Developer shall submit to Franchisor an executed agreement that (a) evidences Area Developer's right to utilize the site for a minimum of one (1) year on terms that meet Franchisor's then-current requirements, as set forth in the Manuals, and (b) has been submitted to and approved in writing by Franchisor prior to execution. Sections 3.2 and 3.3 of the Development Agreement shall not apply to Area Developer.

5) Area Development Fee. The Area Development Fee under Section 4.1 of the Development Agreement shall be Fifteen Thousand Dollars (\$15,000) for each Code Ninjas Studio to be developed and opened within the Development Area during the term of the Development Agreement and in accordance with the Development Schedule.

6) Representation of Authority. By signing this Rider below on behalf of Area Developer, the undersigned represents that he or she is duly authorized and has legal capacity to execute and deliver this Rider. The undersigned representative of Area Developer represents and warrants to Franchisor that the execution and delivery of this Rider and the performance of such party's obligations hereunder have been duly authorized, and that the Rider is a valid and legal agreement binding on Area Developer and enforceable in accordance with its terms.

In witness of their agreement, authorized representatives of the parties have signed this Rider on the date(s) set forth below, to be effective as of the effective date first stated above.

AREA DEVELOPER:

FRANCHISOR:

CODE NINJAS, LLC

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

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

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

**CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT F
STATE ADDENDA**

**ADDENDUM TO THE CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS**

THIS ADDENDUM (the “Addendum”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“Franchisor”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“Area Developer”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Area Developer are parties to that certain Area Development Agreement dated _____, 20____ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Area Development Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Area Development Agreement occurred in Illinois and the Franchised Centers that Area Developer will operate and develop under the Area Development Agreement will be located in Illinois, and/or (b) Area Developer is domiciled in Illinois.

2. **FORUM FOR LITIGATION.** The following sentence is added to the end of Section 16.4 (“Consent to Jurisdiction”) of the Area Development Agreement:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void.

3. **GOVERNING LAW.** Section 16.1 (“Governing Law”) of the Area Development Agreement is deleted and replaced with the following:

Illinois law shall govern this Agreement.

4. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as Section 16.14 of the Area Development Agreement:

16.14 Illinois Franchise Disclosure Act. Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

AREA DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND**

THIS ADDENDUM (the “Addendum”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“Franchisor”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“Area Developer”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Area Developer are parties to that certain Area Development Agreement dated _____, 20__ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Area Development Agreement. This Addendum is being signed because (a) Area Developer is domiciled in Maryland, and/or (b) the Franchised Centers that Area Developer will operate and develop under the Area Development Agreement will be located in Maryland.

2. **RELEASES.** The following is added to the end of Sections 2.2.4, 15.3.3, and 15.4 of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. **INSOLVENCY.** The following sentence is added to the end of Section 6.1 of the Area Development Agreement:

Section 6. may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

3. **FORUM FOR LITIGATION.** The following language is added to the end of Section 16.4 (“Consent to Jurisdiction”) of the Area Development Agreement:

Area Developer may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **GOVERNING LAW.** The following sentence is added to the end of Section 16.1 (“Governing Law”) of the Area Development Agreement:

Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

5. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 16.7 (“Limitation”) of the Area Development Agreement:

Area Developer must bring any claims arising under the Maryland Franchise

Registration and Disclosure Law within 3 years after Franchisor grant Area Developer the franchise.

6. **ACKNOWLEDGMENTS.** The following language is added as Section 17 of the Area Development Agreement:

17. **ACKNOWLEDGEMENTS.**

All representations requiring Area Developer to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. **FINANCIAL ASSURANCE.** Based on our financial condition, the State of Maryland has required a financial assurance. Therefore, we have posted a surety bond with the State of Maryland guaranteeing our obligations under the Area Development Agreement. You may contact the state agency listed in Exhibit A of our Franchise Disclosure Document for more information.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date of the Area Development Agreement.

FRANCHISOR

AREA DEVELOPER

CODE NINJAS, LLC

(IF ENTITY):

By: _____
Name: _____
Title: _____

[Name]

Date: _____

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Area Developer**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Area Developer are parties to that certain Area Development Agreement dated _____, 20__ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Area Development Agreement. This Addendum is being signed because (a) the Franchised Centers that Area Developer will operate and develop under the Area Development Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in Minnesota.

2. **FORUM FOR LITIGATION.** The following language is added to the end of Section 16.4 of the Area Development Agreement:

NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT FRANCHISOR, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF MINNESOTA. NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF AREA DEVELOPER’S RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80.C OR AREA DEVELOPER’S RIGHTS TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

3. **RENEWAL TERM AND TERMINATION TERM.** The following is added to the end of Sections 2.2 and 16.4 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

4. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following sentence is added to the end of Section 9.4.13 of the Franchise Agreement:

Provided Franchisee has complied with all provisions of this Agreement applicable to the Marks, Franchisor will protect Franchisee’s right to use the Marks and will indemnify Franchisee from any loss, costs or expenses arising out of any claims, suits or demands regarding Franchisee’s use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

5. **GOVERNING LAW.** The following statement is added at the end of Section 16.1 of the Area Development Agreement:

NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF AREA DEVELOPER'S RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR AREA DEVELOPER'S RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

6. **MUTUAL WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES.** If and then only to the extent required by the Minnesota Franchises Law, Sections 16.6 and 16.9 of the Area Development Agreement are deleted.

7. **LIMITATION OF CLAIMS.** The following is added to the end of Section 16.7 of the Area Development Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

8. **RELEASE OF CLAIMS.** The following is added to the end of Section 16.10 of the Area Development Agreement:

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

9. **INJUNCTIVE RELIEF.** Section 16.11 of the Area Development Agreement is deleted and replaced with the following:

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and seek injunctive relief against conduct that threatens to injure or harm Franchisor, the Marks or the System, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Area Developer agrees that Franchisor may seek such injunctive relief. Area Developer agrees that its only remedy if an injunction is entered against Area Developer will be the dissolution of that injunction, if warranted, upon due hearing, and Area Developer hereby expressly waives any claim for damages caused by such injunction. A court will determine if a bond is required.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date of the Area Development Agreement.

FRANCHISOR

CODE NINJAS, LLC

By: _____

Name: _____

Title: _____

Date: _____

AREA DEVELOPER

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT FOR USE IN THE
STATE OF NEW YORK**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Area Developer**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Area Developer are parties to that certain Area Development Agreement dated _____, 20__ (the “Area Development Agreement”) that has been signed concurrently with this Addendum. This Addendum is being signed because (a) Area Developer is domiciled in the State of New York and the Franchised Centers that Area Developer will operate and develop under the Area Development Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in New York.

2. **FRANCHISOR’S RIGHTS TO TRANSFER.** The following language is added to the end of Section 7.1 of the Area Development Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee that, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.

3. **RELEASES.** The following language is added to the end of Sections 2.2.4, 8.26, and 15.3.3 of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION OF AGREEMENT - BY AREA DEVELOPER.** The following language is added as Section 6.7 of the Area Development Agreement:

Area Developer also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **INJUNCTIVE RELIEF.** The following sentence is added to the end of Section 16.11:

Franchisor's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

6. **FORUM FOR LITIGATION.** The following statement is added at the end of Section 16.4 ("Consent to Jurisdiction") of the Area Development Agreement:

This section shall not be considered a waiver of any right conferred upon Area Developer by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

7. **GOVERNING LAW.** The following is added to the end of Section 16.1 ("Governing Law") of the Area Development Agreement:

This section shall not be considered a waiver of any right conferred upon Area Developer by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date of the Area Development Agreement.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

AREA DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Area Developer**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Area Developer are parties to that certain Area Development Agreement dated _____, 20____ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Area Development Agreement. This Addendum is being signed because (a) Area Developer is a resident of North Dakota and the Franchised Centers that Area Developer will operate and develop under the Area Development Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Sections 2.2.4, 15.3.3, and 15.4 of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** The following is added to the end of Section 8.3 of the Area Development Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **GOVERNING LAW.** Section 16.1 of the Area Development Agreement is deleted and replaced with the following:

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, AND EXCEPT AS OTHERWISE REQUIRED BY NORTH DAKOTA LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND AREA DEVELOPER WILL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE

RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

5. **FORUM FOR LITIGATION.** The following is added to the end of Section 16.4 of the Area Development Agreement:

NOTWITHSTANDING THE FOREGOING, TO THE EXTENT REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW, AND SUBJECT TO AREA DEVELOPER'S ARBITRATION OBLIGATIONS, AREA DEVELOPER MAY BRING AN ACTION IN NORTH DAKOTA FOR CLAIMS ARISING UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW.

6. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Sections 16.6 and 16.9 of the Area Development Agreement are deleted.

7. **LIMITATIONS OF CLAIMS.** To the extent required by the North Dakota Franchise Investment Law, Section 16.7 of the Area Development Agreement is deleted.

8. **FINANCIAL ASSURANCE.** Based on our financial condition, the State of North Dakota has required a financial assurance. Therefore, we have posted a surety bond with the State of North Dakota guaranteeing our obligations under the Franchise Agreement. You may contact the state agency listed in Exhibit A of our Franchise Disclosure Document for more information.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date of the Area Development Agreement.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

AREA DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Area Developer**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Area Developer are parties to that certain Area Development Agreement dated _____, 20____ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Area Development Agreement. This Addendum is being signed because (a) Area Developer is domiciled in Rhode Island and the Franchised Centers that Area Developer will operate and develop under the Area Development Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in Rhode Island.

2. **TERMINATION.** The following paragraph is added to the end of Section 6.4:

Section 6-50-4 of the Rhode Island Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Law’s requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, Franchisee shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

3. **GOVERNING LAW / FORUM FOR LITIGATION.** The following language is added to the end of Sections 16.1 and 16.4 of the Area Development Agreement:

SECTION 19-28.1-14 OF THE RHODE ISLAND FRANCHISE INVESTMENT ACT PROVIDES THAT “A PROVISION IN A FRANCHISE AGREEMENT RESTRICTING JURISDICTION OR VENUE TO A FORUM OUTSIDE THIS STATE OR REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE IS VOID WITH RESPECT TO A CLAIM OTHERWISE ENFORCEABLE UNDER THIS ACT.” TO THE EXTENT REQUIRED BY APPLICABLE LAW, RHODE ISLAND LAW WILL APPLY TO CLAIMS ARISING UNDER THE RHODE ISLAND

FRANCHISE INVESTMENT ACT.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

AREA DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE CODE NINJAS, LLC
DEVELOPMENT AGREEMENT
FOR USE IN VIRGINIA**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Area Developer**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Area Developer are parties to that certain Area Development Agreement dated _____, 20__ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Area Development Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Area Development Agreement occurred in Virginia and the Franchised Centers that Area Developer will operate and develop under the Area Development Agreement will be located in Virginia, and/or (b) Area Developer is domiciled in Virginia.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR

CODE NINJAS, LLC

By: _____

Name: _____

Title: _____

Date: _____

AREA DEVELOPER

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE CODE NINJAS, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN WASHINGTON**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Area Developer**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Area Developer are parties to that certain Area Development Agreement dated _____, 20____ (the “Area Development Agreement”) that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Area Development Agreement. This Addendum is being signed because (a) Area Developer is domiciled in Washington; and/or (b) the Franchised Centers that Area Developer will operate and develop under the Area Development Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Area Development Agreement occurred in Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Area Development Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Area Development Agreement in Area Developer’s relationship with the Franchisor including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the Area Development Agreement in Area Developer’s relationship with the Franchisor, including the areas of termination and renewal of the franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Area Development Agreement, Area Developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by Area Developer may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

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

RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting a Area Developer from (i) soliciting or hiring any employee of a franchisee of the Franchisor or (ii) soliciting or hiring any employee of the Franchisor. As a result, any such provisions contained in the Area Development Agreement or elsewhere are void and unenforceable in Washington.

3. Based on our financial condition, the State of Washington has required financial assurance. Therefore, we have posted a surety bond with the State of Washington guaranteeing our obligations under the Franchise Agreement. You may contact the state agency listed in Exhibit A of the Franchise Disclosure Document for more information.

IN WITNESS WHEREOF, each of the undersigned has executed this Addendum under seal as of the Effective Date of the Area Development Agreement.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

AREA DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

**ADDENDUM TO THE
FRANCHISE AGREEMENT
FOR USE IN WISCONSIN**

THIS ADDENDUM (the “**Addendum**”) is made and entered into by and between **CODE NINJAS, LLC**, a Texas limited liability company (“**Franchisor**”) with its principal business address at 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, and _____ a _____ (“**Franchisee**”), whose principal business address is _____.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Wisconsin and the Franchised Center that Franchisee will operate under the Franchise Agreement will be located in Wisconsin; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Wisconsin.

2. **NON-RENEWAL AND TERMINATION.** The following paragraph is added to the end of Sections 2.2 and 16.4:

Section 135.04 of the Wisconsin Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Law’s requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, Franchisee shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR

CODE NINJAS, LLC

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____

EXHIBIT E
NON-USE AND NON-DISCLOSURE AGREEMENT

This Non-Use and Non-Disclosure Agreement (this “**Agreement**”) is entered into by and among _____, whose address is _____, _____, _____, (collectively, together with all affiliates, representatives and agents, referred to as “**Interested Party**”) and Code Ninjas, LLC, a Texas limited liability company, whose address is 11200 Broadway Street, Suite 2731, Pearland, Texas 77584 (the “**Company**”).

WHEREAS, the Interested Party is interested in entering into a business relationship with the Company; and the Company is interested in entering into a business relationship with the Interested Party; and

WHEREAS, in connection with evaluating the viability of such a business relationship, the Company is furnishing and will furnish the Interested Party with information related to Company and/or its business, including without limitation, financial information, operating information, processes, procedures, corporate and business information, documentation and agreements, including without limitation a franchise disclosure document, that contain confidential and proprietary information (all of the forgoing together with all attachments, addenda, exhibits and other agreements described or referred to in any of the forgoing is herein referred to as the “**Information**”).

For good and valuable consideration, including without limitation the Company’s furnishing the Interested Party with the Information, the Interested Party has agreed and does hereby agree that:

1. Nondisclosure Obligations. Interested Party will keep the Information confidential, and Interested Party will not, without the Company’s prior written consent disclose the Information, whether in whole or in part, directly or indirectly, except as expressly permitted hereunder. The Interested Party will not use the Information for any purpose other than evaluating the viability of entering into a business relationship with Company (the “**Purpose**”). Interested Party will not use all or any of the Information, or allow all or any of the Information to be used, for any reason other than the Purpose. The Interested Party (a) will not disclose the Information to any employee, agent, or representative of Interested Party unless such person needs access to the Information in order to facilitate the Purpose and executes a nondisclosure agreement with the Interested Party, with terms no less restrictive than those of this Agreement; and (b) will not disclose the Information to any other third party without the Company’s prior written consent. The Interested Party is responsible for any breach of this Agreement by any party that receives any of the Information, either directly or indirectly, from the Interested Party. The Interested Party will promptly notify the Company of any misuse or misappropriation of the Information that comes to the Interested Party’s attention.

2. Additional Nondisclosure Obligations. Without the Company’s prior written consent, except where otherwise required by law (such requirements to be confirmed by a written legal opinion of the Interested Party’s counsel), the Interested Party will not disclose to any person the fact that the Information has been made available, that discussions or negotiations are taking place or have taken place concerning a possible transaction involving the Interested Party and the Company, or any of the terms, conditions or other facts with respect to any such

possible transaction, including the status thereof. If Interested Party is required by law to disclose all or any of the Information and such requirements are confirmed by a written legal opinion of the Interested Party's counsel, Interested Party shall reasonably cooperate with Company in any effort to seek a protective order or otherwise contest such required disclosure, at Company's expense. The Interested Party shall give Company prompt notice of any such legal or governmental demand for the Information.

3. Injunction. The Interested Party agrees that breach of this Agreement would cause the Company irreparable injury, for which monetary damages would not provide adequate compensation, and for which other remedies at law may be inadequate to protect the Company against a breach of this Agreement, and that in addition to any other remedy, the Company will be entitled to injunctive relief against such breach or threatened breach, without proving actual damage or posting a bond or other security, which requirements are hereby expressly waived by the Interested Party.

4. Retention of Rights. This Agreement does not transfer ownership of the Information or grant a license thereto. Company will retain all right, title, and interest in and to all Information.

5. No Waiver. Neither party will be deemed to have waived any of its rights under this Agreement by lapse of time, or by any statement or representation other than a written waiver executed by the party seeking to waive its rights hereunder.

6. Authority. The undersigned parties each represent and warrant that such party has the power and authority to execute this agreement on behalf of the Interested Party or the Company, as is applicable. The Interested Party represents and warrants that he or she has all necessary authorizations, consents and agreements to bind the Interested Party to the terms and conditions contained herein.

7. Jurisdiction; Applicable Law. You agree that any lawsuit brought the Company to enforce its rights under this Agreement shall be brought in the courts of the County where the Company has its then current principal place of business, and you agree and consent to the jurisdiction of such court to resolve all disputes which arise out of this Agreement or any alleged breach thereof, regardless of your residency at the time such lawsuit is filed. This Agreement shall be governed by the laws of the State of Texas. In the event of any conflict of law, the laws of Texas shall prevail, without regard to, and without giving effect to, the application of Texas conflict of law rules.

8. Severability. To the extent permitted by applicable law, the parties hereby waive any provision of law that would render any clause of this Agreement invalid or otherwise unenforceable in any respect. In the event that a provision of this Agreement is held to be invalid or otherwise unenforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by applicable law, and the remaining provisions of this Agreement will continue in full force and effect.

9. Survival. The provisions of this Agreement will survive any termination or expiration of the relationship of the parties hereto.

10. **Counterparts.** This Agreement may be executed and delivered (including by facsimile or Portable Document Format (pdf) transmission) in any number of counterparts with the same effect as if all signatories had signed the same document. Facsimile and other electronic copies of manually signed originals shall have the same effect as manually-signed originals and shall be binding on the undersigned parties. Each counterpart shall be deemed an original, but all counterparts must be construed together to constitute one and the same instrument.

WITNESS the execution thereof, this _____ day of _____, 20____.

COMPANY:
CODE NINJAS, LLC

INTERESTED PARTY:

By: _____
Name: _____
Title: _____

Signature: _____
Printed Name: _____

EXHIBIT F
LIST OF FRANCHISEES, AREA DEVELOPERS, AND CORPORATE LOCATIONS

EXHIBIT F
LIST OF FRANCHISEES AND AREA DEVELOPERS

(as of December 31, 2019)

Name	Address	City	State	Zip Code	Telephone	Open Date	Area Development Commitment
Foropoulos Corp.	7421 Bradford Court	Mobile	AL	36695	(251) 689-1232	3/18/2020	
Gwen and Ernest Musengwa	1501 SE Walton Blvd, Ste. 115	Bentonville	AR	72712	(479) 268-4391	6/30/2018	
Code Jones LLC	12400 Cantrell Rd	Little Rock	AR	72223	(501) 912-6716	7/12/2020	
KANN, LLC	14891 N. Northsight Blvd., Suite 129	Scottsdale	AZ	85260	(480) 361-5260	5/12/2018	*
Ambitious Sprouts, LLC	2820 S Alma School Rd, Suite #22	Chandler	AZ	85286	(480) 248-6866	2/5/2019	*
Aspiring Sprouts, LLC	4909 East Chandler Blvd, Suite #504	Phoenix	AZ	85048	(480) 867-1158	4/27/2019	*
Shiksha Yatra, LLC	20329 N. 59th Ave, Suite 6A	Glendale	AZ	85308	(602) 935-1423	4/24/2019	*
CNLP INC	13331 W Indian School Road, Suite 203	Litchfield Park	AZ	85340	(623) 255-8954	7/13/2019	*
iSteam LLC	8256 W. Cactus Road, Suite D-3	Peoria	AZ	85351	(402) 301-9473	10/23/2019	*
iSteam LLC	PO Box 7168	Goodyear	AZ	85338	(402) 301-9473	10/23/2020	*
PROCÓDE, LLC	1773 East Prince Rd	Tucson	AZ	85719	(617) 615-6008	1/3/2020	
Shiska Yarta, LLC	2426 East Jette Dr.	Phoenix	AZ	85024	(720) 207-8738	5/10/2020	*
Kelvin Ly & Vikas Korde	2689 E Kesler Ln	Gilbert	AZ	85295	(480) 280-4367	7/23/2020	*
NGUYEN LY & VIKAS KORDE	2689 E Kesler Ln	Gilbert	AZ	85295	(480) 280-4367	7/23/2021	*
Steam Engine LLC	60 Peninsula Center	Rolling Hills Estates	CA	90274	(424) 903-0355	8/11/2018	
Aura Thrive LLC	16773 Bernardo Center Dr., Suite E	San Diego	CA	92128	(858) 376-7596	5/19/2018	*
Aura Thrive LLC	17361 Caminito Caldo	San Diego	CA	92108	(925) 202-3405	5/19/2020	*
LBF Learning LLC	3187 Zinfandel Drive, Suite 3	Rancho Cordova	CA	95670	(916) 235-3384	1/19/2019	*
Sherri & Ronnie Harrison, Ira & Dawn Kristol	290 N. El Camino Real, Suite 290-B	Encinitas	CA	92024	(760) 880-1669	4/27/2019	*
Sherri & Ronnie Harrison, Ira & Dawn Kristol	921 Marisa Lane	Encinitas	CA	92024	(760) 421-8905	9/15/2019	*
Reeser Holdings, LLC	26867 Sierra Hwy	Santa Clarita	CA	91321	(661) 360-5050	12/8/2018	*
Scott West	12642 Poway Road, Ste 14	Poway	CA	92064	(858) 886-9309	3/20/2019	*
Scott West	2318 Proctor Valley Road, Suite 104	Chula Vista	CA	91914	(858) 621-3406	4/14/2019	*
Scott West	5686 Weatherstone Court	San Diego	CA	92130	(858) 210-8569	11/20/2020	*
Scott West	5686 Weatherstone Court	San Diego	CA	92130	(858) 210-8569	11/20/2021	*
LBF Learning LLC	12007 Country Garden Dr.	Rancho Cordova	CA	95742	(916) 710-1033	6/26/2020	*
AMIR TSURI-ETZIONI & AVITAL TSURI-ETZIONI	1850 Marron Road, Suite 112	Carlsbad	CA	92008	(760) 260-9275	2/23/2019	
Scott West	5686 Weatherstone Court	San Diego	CA	92130	(801) 516-8656	5/25/2019	*
Charles Yeh and Yahsuan Yang	8641 Elk Grove Blvd	Elk Grove	CA	95624	(916) 883-2633	2/22/2019	

Calvo Learning Centers, LLC,	2550 S. Archibald Ave., Suite D-E	Ontario	CA	91761	(909) 947-2633	4/10/2019	*
Calvo Learning Centers, LLC,	7101 Village Dr	Eastvale	CA	92880	(714) 494-3234	8/4/2020	*
BEYOND GRAVITY MEDIA, INC	887 Patriot Drive, Ste J	Moorpark	CA	93021	(805) 405-0900	1/2/2019	*
BEYOND GRAVITY MEDIA, INC	887 Patriot Drive, Ste J	Moorpark	CA	93021	(805) 405-0900	3/15/2020	*
JCS & JC, LLC,	5321-B University Drive	Irvine	CA	92612	(949) 679-2633	3/21/2019	*
JCS & JC, LLC,	19207 Ansel	Irvine	CA	92618	(626) 864-3369	3/25/2020	*
REESER HOLDINGS, LLC	15951 Mondalay Rd	Canyon Country	CA	91387	(818) 470-9689	3/24/2021	*
Nasir Shah & Mohamed Bahardeen	272 Cambria Dr.	Carson	CA	90745	(310) 809-6380	2/28/2020	
Haisen Haven Inc	1996 Stockman Circle	Folsom	CA	95630	(415) 999-5010	5/6/2019	*
Haisen Haven Inc	1996 Stockman Circle	Folsom	CA	95630	(415) 999-5010	6/12/2021	*
Sirlopu Technology Group, LLC	4511 Chino Hills Pkwy	Chino Hills	CA	91709	(909) 536-2633	11/23/2019	
Alan Quan, Queena & Roger Wei	8204 Huntington Drive, Unit A	San Gabriel	CA	91775	(626) 531-0911	8/24/2019	*
Alan Quan, Queena & Roger Wei	PO BOX 2697	San Gabriel	CA	91778	(626) 898-1438	6/26/2020	*
CodeAngels Inc.	2712 Griffith Park Blvd	Los Angeles	CA	90027	(323) 488-3121	1/20/2020	
Lost Code Inc	745 East Altadena Drive	Altadena	CA	91001	(747) 333-7338	9/17/2019	*
Metta Blocks LLC	9575 Chapman Avenue	Garden Grove	CA	92841	(714) 386-9709	8/28/2019	
Aura Thrive LLC	17361 Caminito Caldo	San Diego	CA	92108	(925) 202-3405	5/19/2020	*
Jampana Enterprises LLC	11900 South Street, Suite 114	Cerritos	CA	90703	(562) 732-2633	10/27/2019	*
Jampana Enterprises LLC	13250 Carolyn St	Cerritos	CA	90703	(949) 293-5849	10/19/2020	*
Praveena Kakumanu, Soujanya Sodavarapu, Lavanya Kuppala Mohan Rao, & Gayathri Devi Meenakshi Shivkumar	4811 Hopyard Rd, Suite G-5	Pleasanton	CA	94588	(404) 232-5687	11/22/2019	
PARAMOUNT EDUCATION LLC	3121 Crow Canyon Pl, Suite B	San Ramon	CA	94583	(925) 895-9131	11/14/2019	
George & Ann Yang	19770 Stevens Creek Blvd	Cupertino	CA	95014	(408) 203-6868	1/4/2020	*
George & Ann Yang	19770 Stevens Creek Blvd.	Cupertino	CA	95014	(408) 203-6868	11/14/2020	*
Enrique Villarreal	465 Pacific St	Monterey	CA	93940	(831) 200-3924	8/22/2019	*
Everlearn, Inc.	13011 Newport Ave, Suite 108	Tustin	CA	92780	(714) 202-7591	8/15/2019	
Kidor Master Education LLC	46525 Mission Blvd, Suite 710	Fremont	CA	94539	(310) 880-0583	1/24/2020	*
Huiyu Nie	5259 Montiano Ct.	Dublin	CA	94658	(310) 880-0583	11/20/2020	*
SVS Inc.	4290 Katella Ave	Los Alamitos	CA	90720	(310) 293-3922	12/21/2019	
Jampana Enterprises LLC	13249 Carolyn St	Cerritos	CA	90703	(949) 293-5849	4/19/2021	*
Lost Code Inc	411 W Altadena Dr	Altadena	CA	91001	(747) 333-7338	7/14/2020	*
Lost Code Inc	411 W Altadena Dr	Altadena	CA	91001	(747) 333-7338	1/14/2021	*
Bharati & Rajesh Berigei	1141 Sterling Gate Dr.	San Jose	CA	95120	(408) 455-3594	12/1/2019	
TOSPTC Projects LLC	1701 Lundy Ave, Suite 120	San Jose	CA	95131	(408) 883-2333	12/27/2019	
Sergiy & Cristina Zarubin	25939 The Old Road, Unit Z-1A	Valencia	CA	91381	(661) 430-2633	1/8/2020	
Sunshine Vibes LLC	9420 Mira Mesa Blvd Suite E	San Diego	CA	92126	(858) 500-2437	1/14/2020	
UIUCode LLC	17326 Ventura Blvd	Encino	CA	91316	(213) 819-6991	3/3/2020	

Enrique Villareal	465 Pacific St.	Monterey	CA	93940	(912) 492-4017	1/1/2020	*
Flying Squirrels Inc.	416 Dana Street	Fremont	CA	94539	(727) 667-6771	4/14/2020	
Excellent Learning LLC	12780 CRAWFORD DR	TUSTIN	CA	92782	(949) 266-6988	4/26/2020	*
Excellent Learning LLC	12780 CRAWFORD DR	TUSTIN	CA	92782	(949) 266-6988	4/26/2021	*
Keith Delaney & Sana Khan	2390 Moonridge Circle	Corona	CA	92879	(949) 697-3526	5/4/2020	
Imran Ahmed & Sana Khan	7632 E Santiago Canyon Rd.	Orange	CA	92869	(714) 333-6913	4/26/2020	*
Imran Ahmed & Sana Khan	7632 E Santiago Canyon Rd.	Orange	CA	92869	(714) 333-6913	4/26/2021	*
Haisen Haven LLC	1012 East Bidwell St, Suite C600	Folsom	CA	95630	(415) 999-5010	6/1/2020	*
Kimstitute LLC	18587 Brookhurst Street	Fountain Valley	CA	92708	(714) 323-6925	6/7/2020	
US Coder Gen LLC	2201 Palermo	Tustin	CA	92782	(949) 331-3482	6/17/2020	*
US Coder Gen LLC	2201 Palermo	Tustin	CA	92782	(949) 331-3482	6/17/2021	*
Paramount Education, LLC	4815 Brannigan Street	Dublin	CA	94568	(925) 895-9131	11/9/2020	
Elite Coders INC	1178 Quintana Way	Fremont	CA	94539	(510) 573-1395	7/20/2020	
Jui Chuan Liang & Henry Hui	22822 Skyview Way	Laguna Nigel	CA	92677	(408) 656-0986	8/2/2020	
Here...Now, LLC	2229 Wildcat Reserve Parkway, Suite A6	Highlands Ranch	CO	80129	(720) 638-8760	6/3/2018	
STEM Enrichment Academy, LLC	12920 Lowell Blvd, Unit A	Broomfield	CO	80020	(303) 536-1318	8/6/2018	*
Craig & Robyn Foster	1387 E. South Boulder Road (Units E&F)	Louisville	CO	80027	(720) 379-7638	4/5/2019	
Samuelsen Holdings LLC	101 Ulster Ct	Denver	CO	80230	(720) 594-2633	2/4/2019	
STEM Enrichment Academy, LLC	4210 W. 107th Drive	Westminster	CO	80031	(303) 956-3677	10/30/2020	*
JNRH Ventures LLC	23951 E Garden Dr.	Aurora	CO	80016	(303) 725-2190	6/1/2020	*
JNRH Ventures LLC	12231 Pine Bluffs Way, Suite 107	Parker	CO	80134	(720) 535-4390	10/18/2019	*
Rotter Ninjas Denver West	7705 Wadsworth Blvd, Suite 15	Arvada	CO	80003	(303) 907-9826	11/16/2019	
Cheap FX LLC	4239 Centerplace Dr, Unit 1F	Greeley	CO	80634	(970) 351-7327	1/15/2020	
Samruddhi tec LLC	4244 Madison Ave	Trumbull	CT	06611	(203) 816-5239	6/16/2018	*
MEDHA KIDS TECH INC.	42 Hillston Road	Trumbull	CT	06611	(203) 895-4755	1/30/2020	*
SAMPATTI LLC	665 Commerce Dr	Fairfield	CT	06825	(203) 816-5239	7/15/2019	*
MEDHA KIDS TECH INC.	42 Hillston Road	Trumbull	CT	06611	(203) 895-4755	4/30/2020	*
Basanth Marigodawar and Anil Kumar	388 Middle Turnpike W	Manchester	CT	06040	(860) 288-2425	2/4/2019	
SRM LEARNING	111 High Ridge Road, Suite 6	Stamford	CT	06905	(203) 633-8000	6/24/2019	*
SRM LEARNING	6 Baker Place	Stamford	CT	06905	(203) 252-7274	5/20/2020	*
SRM LEARNING	7 Baker Place	Stamford	CT	06905	(203) 252-7274	5/15/2020	*
Canlas Corporation	176 Newington Rd, Ste A	West Hartford	CT	06110	(401) 952-8770	11/1/2019	
Quadrant LLC	4700 Limestone Rd, Suite 22	Wilmington	DE	19808	(302) 465-3646	1/2/2020	*
Quadrant LLC	164 Haut Brion Ave	Newark	DE	19702	(302) 465-3646	11/19/2020	*
Sachin & Ketu Patel	12 Kings Grant Way	Wilmington	DE	19802	(302) 897-5482	1/27/2020	*
Sachin & Ketu Patel	12 Kings Grant Way	Wilmington	DE	19802	(302) 897-5482	11/27/2020	*
Great Minds Viera, LLC	1950 Viera Blvd., Suite 112	Rockledge	FL	32955	(321) 622-4358	6/16/2018	
Ninatek LLC	910 S. Frankland Rd.	Tampa	FL	33629	(727) 743-1257	3/10/2019	*

Ninjatek LLC	910 S. Frankland Rd.	Tampa	FL	33629	(727) 743-1257	3/10/2021	*
Ninjatek LLC	11909 Sheldon Rd.	Tampa	FL	33626	(813) 708-8598	5/6/2018	*
NL Code Holdings LLC	14349 N Dale Mabry Hwy	Tampa	FL	33618	(813) 603-6509	6/24/2018	*
NL Code Holdings LLC	6932 Silver Sage Circle	Tampa	FL	33634	(813) 765-4725	1/8/2020	*
Takka Takka Too LLC	5534 S Flamingo Rd.	Cooper City	FL	33330	(954) 399-7000	8/11/2018	*
Takka Takka Too, LLC	1374 SW 160th Ave, Suite E-3/E-4	Sunrise	FL	33326	(954) 806-7998	11/1/2020	*
Takka Takka Too II, LLC	8000 W Broward Blvd, Suite #1729	Plantation	FL	33388	(954) 399-7000	12/8/2018	*
Takka Takka Too III, LLC	4669 N. University Dr., Suite 47-48	Coral Springs	FL	33067	(954) 399-7000	4/15/2019	*
Takka Takka Too, LLC	5321 N. 36th CT.	Hollywood	FL	33021	(954) 806-7998	5/1/2021	*
Marval Edutainment LLC	15969 SW 141st Terrace	Miami	FL	33196	(908) 331-3882	6/30/2019	*
Marval Edutainment LLC	16355 SW 88th Street	Miami	FL	33196	(305) 800-2633	5/17/2019	*
Marval Edutainment LLC	15969 SW 141st Terrace	Miami	FL	33196	(908) 331-3882	3/27/2020	*
CN Wellington, LLC	10660 Forest Hill Blvd, Suite 160	Wellington	FL	33414	(561) 440-8229	1/7/2019	*
CN Wellington, LLC	19605 N. State Rd 7, Ste D	Boca Raton	FL	33498	(954) 651-8147	12/28/2019	*
CN Wellington, LLC	8055 NW 110th Drive	Parkland	FL	33076	(954) 651-8147	5/1/2020	*
Julington Creek LLC	2758 Race Track Road, Suite 401	St Johns	FL	32259	(904) 500-2633	4/7/2019	*
Julington Creek LLC	229 Twining Trace	Saint Johns	FL	32259	(605) 212-4728	9/1/2019	*
Julington Creek LLC	229 Twining Trace	Saint Johns	FL	32259	(605) 212-4728	6/1/2020	*
Webmachers LLC	8788 Boynton Beach Blvd, Suite 110	Boynton Beach	FL	33472	(561) 336-0540	3/15/2019	
Ninja Coders Aventura Inc	18821 Biscayne Blvd	Aventura	FL	33180	(954) 604-2535	1/12/2020	*
Ninja Coders Aventura Inc	1352 Bayview Cir	Weston	FL	33326	(954) 604-2535	9/5/2020	*
Ninja Coders Aventura Inc	1353 Bayview Cir	Weston	FL	33326	(954) 604-2535	5/5/2021	*
Ninja Coders Aventura Inc	1354 Bayview Cir	Weston	FL	33326	(954) 604-2535	1/5/2022	*
Lan Bach & Itaru Fujiwara	1856 NW 140th Terrace	Pembroke Pines	FL	33028	(954) 881-1299	11/1/2019	
Angel Oak Franchises LLC	2560 Maguire Road, Suite 210	Ocoee	FL	34761	(435) 512-3027	1/30/2020	
Ninjatek, LLC	910 S. Frankland Rd.	Tampa	FL	33629	(727) 743-1257	9/10/2021	*
Qwesi & Devina McCray	1185 Spring Centre S, Suite 1060	Altamonte Spgs	FL	32714	(720) 361-3388	3/18/2020	
Learn to Code, LLC	9721 NW 16th St	Plantation	FL	33322	(954) 882-8362	4/13/2020	
Crossfade Technologies LLC	5960 Tradition Ct	Milton	FL	32570	(334) 596-5024	8/28/2020	
Ovia Group I, LLC	2130 Hamilton Creek Parkway, Suite 107	Dacula	GA	30019	(770) 284-1056	6/17/2018	*
Ovia Group II, LLC	225 Peachtree Industrial Blvd, Ste 245-102	Sugar Hill	GA	30518	(770) 353-9946	8/17/2019	*
Ovia Group I, LLC	3940 The Battery	Duluth	GA	30096	(425) 478-9177	6/18/2020	*
Cato Sensei LLC	4691 S Atlanta Rd SE	Atlanta	GA	30339	(678) 203-8603	5/11/2019	
DynaGeex, LLC	2350 Atlanta Highway, Suite 106-107	Cumming	GA	30040	(470) 253-9632	5/24/2019	*
DynaGeex, LLC	12460 Crabapple Rd, Suite 401	Alpharetta	GA	30004	(678) 469-7524	2/2/2020	*
Jordan Learning LLC	1520 Avenue Place, Suite B1-110	Atlanta	GA	30329	(678) 880-4292	7/15/2019	
Samir, Noor and Shayan Panjwani, and Abhi Reddy	4880 Lower Roswell Road, Suite 620	Marietta	GA	30068	(770) 325-3743	6/7/2019	*

Samir, Noor and Shayan Panjwani, and Abhi Reddy	320 Satterwhite Drive	Alpharetta	GA	30022	(770) 344-7324	7/1/2020	*
Samir, Noor and Shayan Panjwani, and Abhi Reddy	320 Satterwhite Drive	Alpharetta	GA	30022	(770) 344-7324	1/1/2021	*
Samir, Noor and Shayan Panjwani, and Abhi Reddy	320 Satterwhite Drive	Alpharetta	GA	30022	(770) 344-7324	6/1/2021	*
Sovot Legacy LLC	1250 Scenic Highway, Suite 1716	Lawrenceville	GA	30045	(404) 721-3945	10/28/2019	*
Samir, Noor and Shayan Panjwani, and Abhi Reddy	320 Satterwhite Drive	Alpharetta	GA	30022	(770) 344-7324	12/1/2021	*
Sovot Legacy LLC	3458 Sag Harbor Court	Buford	GA	30519	(678) 665-7567	8/16/2020	*
ABK2 Investments LLC	1610 Ridenour Blvd NW, Suite 104	Kennesaw	GA	30152	(678) 982-7148	12/19/2019	*
ABK2 Investments LLC	1150 Lakestone Pkwy	Woodstock	GA	30188	(678) 982-7148	11/31/2020	*
Iowa Ninjas, LLC	15920 Hickman Rd, Suite 200	Clive	IA	50325	(515) 393-4283	6/2/2018	*
IDAHO CODERS LLC	1793 W. Chinden Blvd., #150	Meridian	ID	83646	(208) 565-0025	9/8/2018	*
IDAHO CODERS LLC	660 West Kingsley St	Meridian	ID	83646	(208) 891-8825	9/20/2020	*
Matthew Grace Education, LLC	2755 Algonquin Road	Algonquin	IL	60102	(224) 333-1236	9/10/2018	*
Matthew Grace Education, LLC	180 South Western Ave., #263	Carpentersville	IL	60100	(224) 325-6218	6/30/2019	*
Matthew Grace Education, LLC	180 South Western Ave., #263	Carpentersville	IL	60100	(224) 325-6218	6/30/2020	*
Coder Kids LLC	1324 S Milwaukee Ave.	Libertyville	IL	60048	(847) 549-3908	7/28/2018	*
Coder Kids LLC	2735 Pfingsten Rd	Glenview	IL	60026	(847) 715-9056	4/27/2019	*
Coder Kids LLC	1480 S. Lancaster Lane	Libertyville	IL	60048	(630) 660-1134	6/30/2020	*
Wu Master, LLC	842 E Ogden Ave	Westmont	IL	60559	(630) 568-5634	11/8/2018	
IT Strategic Partners	6021 Washington St, Suite C	Gurnee	IL	60031	(847) 986-9386	2/11/2019	*
IT Strategic Partners	4530 W Westchester Ln	Libertyville	IL	60048	(847) 875-1952	10/1/2019	*
Canny Tots LLC	7800 N Sommer St	Peoria	IL	61615	(309) 431-4648	8/27/2018	*
Canny Tots LLC	6824 N. Bobolink Rd	Peoria	IL	61614	(309) 339-5737	9/1/2019	*
ARYOM LLC	3108 S Route 59., Suite 144	Naperville	IL	60564	(331) 229-8922	12/17/2018	*
Kiwano Corporation	1305 S Naper Blvd	Naperville	IL	60540	(630) 300-3636	4/27/2019	*
Wheaton Code Warriors, LLC	398 Jennifer Lane	Roselle	IL	60172	(847) 704-0804	4/18/2020	*
Kiwano Corporation	398 Jennifer Lane	Roselle	IL	60172	(847) 704-0804	10/18/2020	*
Melissa and Gerald Potempa	9293 W 159th St	Orland Hills	IL	60477	(708) 675-8183	8/12/2019	*
Melissa and Gerald Potempa	16119 So. Sandy Bank Court	Homer Glen	IL	60491	(708) 363-3249	2/10/2021	*
Melissa and Gerald Potempa	16119 So. Sandy Bank Court	Homer Glen	IL	60491	(708) 363-3249	11/11/2019	*
Melissa and Gerald Potempa	16119 So. Sandy Bank Court	Homer Glen	IL	60491	(708) 363-3249	8/20/2020	*
NZ INVESTMENTS LLC	4194 IL-83, Unit B	Long Grove	IL	60047	(847) 250-6838	5/27/2019	*
NZ INVESTMENTS LLC	9601 Golf Rd., Apt. 204	Des Plaines	IL	60016	(773) 517-4602	5/1/2020	*
NZ INVESTMENTS LLC	9601 Golf Rd., Apt. 204	Des Plaines	IL	60016	(773) 517-4602	3/1/2021	*
Team Nunchuk LLC	2756 US Highway 34	Oswego	IL	60543	(630) 485-7327	6/7/2019	

Dimension X LLC	4531 W. Westchester Ln.	Libertyville	IL	60048	(847) 571-0764	7/1/2021	*
Dimension X LLC	535 B Busse Hwy	Park Ridge	IL	60068	(224) 424-0133	9/10/2019	*
Young Grasshopper LLC	807 IL-59	Bartlett	IL	60103	(630) 995-9577	5/13/2019	*
Young Grasshopper LLC	1710 W. Algonquin Rd.	Hoffman Estates	IL	60192	(847) 975-3271	4/27/2020	*
CN Shorewood LLC	2372 Sutton Ln	Aurora	IL	60502	(248) 495-8141	12/20/2020	*
Akram Inc.	579-581 N York Rd	Elmhurst	IL	60126	(630) 359-5095	6/21/2019	*
Akram Inc.	2372 Sutton Ln	Aurora	IL	60502	(248) 495-8141	5/4/2020	*
Melissa & Gerald Potempa	7119 W North Ave	Oak Park	IL	60302	(708) 675-8183	10/28/2019	*
40-Love NC, LLC	2436 East 146th Street	Carmel	IN	46033	(317) 587-8660	3/23/2019	*
40-Love NC, LLC	11501 Geist Pavilion Dr., Suite 112	Fishers	IN	46037	(317) 827-6192	7/8/2019	*
Uncommon Sensei INC	2610 N 500 E	Lafayette	IN	47905	(765) 404-8487	4/1/2020	*
Uncommon Sensei	2610 N 500 E	Lafayette	IN	47905	(765) 404-8487	12/1/2020	*
Uncommon Sensei INC	2610 N 500 E	Lafayette	IN	47905	(765) 404-8487	7/1/2021	*
JLH Legacy Properties 2, LLC	12825 W 87th Street Parkway	Lenexa	KS	66215	(913) 444-9448	12/30/2018	*
JLH Legacy Properties 1, LLC	3622 West 135th Street	Leawood	KS	66224	(913) 444-9448	2/19/2018	*
JLH Legacy Properties 3 LLC	133 S. Parker Street	Olathe	KS	66061	(913) 444-9448	9/16/2019	*
RVH Developments LLC	1147 S Lakecrest Drive	Olathe	KS	66061	(913) 907-7391	9/28/2020	*
RVH Developments LLC	1147 S Lakecrest Drive	Olathe	KS	66061	(913) 907-7391	7/28/2021	*
JLH Legacy Holdings LLC	8835 Redbud Ln.	Lenexa	KS	66330	(913) 732-3242	11/20/2020	*
JLH Legacy Holdings LLC	8835 Redbud Ln.	Lenexa	KS	66330	(913) 732-3242	5/20/2021	*
JLH Legacy Holdings LLC	8835 Redbud Ln.	Lenexa	KS	66330	(913) 732-3242	11/20/2021	*
CaCoEnterprises, LLC	1938 E 70th St, Suite B	Shreveport	LA	71105	(318) 606-2573	12/18/2017	
Tiger Ninjas LLC	8657 Siegen Lane	Baton Rouge	LA	70810	(225) 229-5153	1/27/2020	*
Tiger Ninjas LLC	16484 West Lake Dr	Prairieville	LA	70769	(225) 229-5153	9/23/2020	*
Comanche Piper LLC	3501 Severn Ave, Ste 5B	Metairie	LA	70002	(504) 662-6061	10/10/2019	
Boyer Derise	305 Sanctuary Ln	Lafayette	LA	70503	(337) 541-9883	6/25/2020	
Mongrel Enterprises, Inc.	440 Middlesex Road	Tyngsborough	MA	01879	(978) 308-2633	4/22/2018	
Maverick Coding Services LLC	161 Linden St	Wellesley	MA	02482	(781) 591-2413	1/8/2019	
BETA DOJO LLC	280 South St.	Medfield	MA	02052	(917) 963-7949	10/14/2019	*
Kin Chung	280 South St.	Medfield	MA	02052	(917) 963-7949	6/25/2020	*
ALPHA DOJO LLC	95 Washington St, Suite 560	Canton	MA	02021	(774) 469-0121	3/21/2019	*
Rakhee Aparaju and Sushma Majety	10010-F, Shops Way	Northborough	MA	01532	(774) 214-0446	8/15/2019	
Cloude Inc	6 Wayside Road, Unit 1-1	Burlington	MA	01803	(617) 257-6049	2/2/2020	
Brian Cho, Julianna Lee, & Joseph Harrington	528 Boston Post Rd., #B	Sudbury	MA	01776	(617) 970-1073	12/26/2019	
Kelly & Andrew Baker	168 Watson Rd.	Belmont	MA	02478	(617) 584-9368	3/19/2020	
Blue Cardinal LLC	57 Indian Hill Rd.	Medfield	MA	02052	(781) 708-5008	7/3/2020	
The Reliem Company	5725 Richards Valley Rd, Ste. A-3	Ellicott City	MD	21043	(410) 680-2633	6/16/2018	Open
Compower LLC	12974 Middlebrook Rd	Germantown	MD	20874	(301) 371-2572	9/29/2018	Open
NK AND SAI CORP	15608 Copperfield Lane	Germantown	MD	20874	(301) 693-0532	5/23/2020	*

NK AND SAI CORP	15608 Copperfield Lane	Germantown	MD	20874	(301) 693-0532	10/1/2020	*
NK AND SAI CORP	15608 Copperfield Lane	Germantown	MD	20874	(301) 693-0532	7/11/2021	*
3C Dream LLC	5726 Buckeystown Pike	Frederick	MD	21704	(215) 740-7899	2/25/2020	*
3C Dream LLC	14345 Fox Creek Court	Cooksville	MD	21723	(215) 740-7899	8/13/2020	FA signed but not open
The Sackks Group Corporation	145 Mitchells Chance Rd	Edgewater	MD	21037	(443) 254-4467	9/28/2019	Open
Imminent Path, Inc.	6005 Jerrys Dr.	Columbia	MD	21044	(443) 280-2642	12/1/2020	*
Imminent Path, Inc.	7550 Teague Rd, Suite 113	Hanover	MD	21076	(443) 280-2642	1/13/2020	FA signed but not open
Ajaz Hizkil & Adeel Ajaz	6445 N. Canton Center Rd	Canton	MI	48187	(734) 771-6661	3/16/2020	
Michigan Ninjas, LLC	8051 Pine Forest Ct	Davisburg	MI	48350	(248) 909-6304	3/4/2021	*
Michigan Ninjas, LLC	51226 Romeo Plank Rd	Macomb	MI	48042	(248) 909-6304	2/1/2020	*
Brainiac Inc	1227 Brandywine St	Temperance	MI	48182	(419) 344-0670	8/11/2020	
Code Logic LLC	426 Pond Promenade	Chanhassen	MN	55317	(952) 381-9956	7/28/2018	
Jonathan E. Blood & Darren F. Dierbeck	3016 W 66th St	Edina	MN	55423	(612) 324-7836	5/5/2018	*
Jonathan E. Blood & Darren F. Dierbeck	2616 North Saunders Lake Dr.	Minnetrista	MN	55364	(612) 324-4263	7/28/2018	*
Jonathan E. Blood & Darren F. Dierbeck	2616 North Saunders Lake Dr.	Minnetrista	MN	55364	(612) 940-0929	5/15/2020	*
Jonathan E. Blood & Darren F. Dierbeck	2616 North Saunders Lake Dr.	Minnetrista	MN	55364	(612) 940-0929	9/15/2020	*
Jonathan E. Blood & Darren F. Dierbeck	2616 North Saunders Lake Dr.	Minnetrista	MN	55364	(612) 940-0929	5/15/2021	*
DiDi Corporation	3825 Cedar Grove Pkwy., Suite 104	Eagan	MN	55122	(651) 313-8700	6/23/2018	*
DiDi Corporation	3618 Springwood Court	Eagan	MN	55123	(651) 303-7986	12/2/2020	*
DiDi Corporation	731 Bielenberg Drive, Suite 102	Woodbury	MN	55125	(651) 303-7986	6/2/2020	*
Jonathan E. Blood & Darren F. Dierbeck	2616 North Saunders Lake Dr.	Minnetrista	MN	55364	(612) 940-0929	10/15/2021	*
Jonathan E. Blood & Darren F. Dierbeck	2616 North Saunders Lake Dr.	Minnetrista	MN	55364	(612) 940-0929	3/15/2022	*
Twin Cities Software LLC	1667 17th Ave. E, Suite 107	Shakopee	MN	55379	(952) 222-0553	5/25/2019	
Daniel & Norma Flores-Ibarra	126 17th Avenue NW	Rochester	MN	55901	(507) 261-8762	8/24/2019	
Nathan & Krista Lester	217 Cutacross Rd.	Golden Valley	MN	55422	(952) 406-2128	11/23/2019	
JLH Legacy Properties 5 LLC	314 S.W. Blue Parkway	Lee's Summit	MO	64063	(913) 444-9448	8/26/2019	*
Chris Vascoe	89 Schloss Road	Eureka	MO	63025	(314) 415-0962	12/17/2019	
Heinz Technology Enterprises Inc.	2955 Hwy K	O'Fallon	MO	63368	(636) 851-9634	12/1/2018	
E and E Ventures LLC	16747 Main Street	Wildwood	MO	63040	(314) 800-0570	4/6/2019	
RVH Developments LLC	9727 Clayton Road	Ladue	MO	63124	(314) 938-2633	12/30/2019	*
JLH Legacy Holdings LLC	3202 W. Republic Road, Suite 100	Springfield	MO	65807	(913) 732-3242	10/14/2019	*
Liquid Metal Solutions 2, LLC	14825 Ballantyne Village Way, Suite 170	Charlotte	NC	28277	(704) 322-3658	10/6/2018	*
Liquid Metal Solutions LLC	8905 Christenbury Parkway	Concord	NC	28027	(704) 765-2028	2/17/2018	*
Beatson Enterprises, LLC	3033 Village Market Place	Morrisville	NC	27560	(919) 694-7171	5/26/2018	*
Mom Coders LLC	941 Gateway Commons Circle, Suite 117	Wake Forest	NC	27587	(919) 296-8330	8/6/2018	*
Venkateswara Samudrala	1589 Skeet Club Rd, Suite 103	High Point	NC	27265	(336) 860-0600	9/29/2018	*
Venkateswara Samudrala	3709 Lexham Court	High Point	NC	27265	(203) 918-6526	9/29/2020	*

Lakshmi-Gopala Holdings LLC	6405 Old Monroe Rd., Suite C	Indian Trail	NC	28079	(704) 756-5531	2/3/2020	*
Flora and Airo, LLC	130 W. Holly Springs Rd, Unit 3	Holly Springs	NC	27540	(919) 398-3385	4/29/2020	*
Flora and Airo, LLC	3325 Boulder Court	Raleigh	NC	27607	(919) 398-3385	4/29/2021	*
Apex Ninjas, LLC	538 Tranquil Sounds Dr.	Cary	NC	27519	(510) 305-7042	7/30/2020	*
Apex Ninjas, LLC	538 Tranquil Sounds Dr.	Cary	NC	27519	(510) 305-7042	8/1/2021	*
Learn Co LLC	4480 23rd Ave S.	Fargo	ND	58104	(701) 404-7620	5/2/2019	
Luke & Danielle Towey	7051 S. 181st Street, Suite 102	Omaha	NE	68137	(402) 819-0769	5/4/2018	
Barta Enterprises LLC	754 Gold Coast Dr., Ste 113	Papillion	NE	68046	(402) 915-1525	4/14/2018	*
502 Code LLC	18924 Evans Street, Ste 102	Omaha	NE	68022	(402) 317-4133	12/19/2019	
CODE NJ LLC	498 State Route 35 South	Red Bank	NJ	07701	(732) 704-4154	6/30/2018	
Cardillo Holdings, LLC	249 Morris Ave.	Mountain Lakes	NJ	07046	(760) 650-2828	5/1/2021	*
Cardillo Holdings, LLC	249 Morris Ave.	Mountain Lakes	NJ	07046	(760) 650-2828	5/1/2020	*
Cardillo Holdings, LLC	3130 Route 10 West	Denville	NJ	07834	(973) 370-4570	8/4/2018	*
Geekatorium Corp	85 Godwin Ave	Midland Park	NJ	07432	(862) 414-4642	9/28/2019	*
Geekatorium Corp	10 HOMESPUN COURT	MAHWAH	NJ	07430	(201) 519-1945	4/1/2020	*
SUCHINTLLC	1506 Stelton Rd	Piscataway Township	NJ	08854	(732) 253-7407	1/20/2019	*
NITARCH LLC	3146 State Route 27	Kendall Park	NJ	08824	(732) 997-0158	6/30/2018	*
CN Cherry Hill East, LLC	100 Springdale Rd., Suite A1	Cherry Hill	NJ	08003	(856) 553-4183	9/16/2018	*
NITARCH LLC	3 Lexington Avenue	East Brunswick	NJ	08816	(732) 306-7020	2/15/2020	*
Protima and Abhishek Pandey	1006 S Ave W.	Westfield	NJ	07090	(908) 516-8869	10/15/2018	*
Protima and Abhishek Pandey	576 Ashwood Road	Springfield	NJ	07081	(908) 516-8869	10/9/2020	*
NITARCH LLC	U.S. 9	Manalapan Township	NJ	07726	(732) 306-7020	8/15/2020	*
Nextgen Academy LLC	3495 U. S. Route 1	Princeton	NJ	08540	(609) 250-2409	3/10/2019	
PGK ENTERPRISES, INC.	508 Livingston Street	Norwood	NJ	07648	(201) 267-2633	4/22/2019	*
PGK ENTERPRISES INC	26 Stelfox St.	Demarest	NJ	07627	(201) 665-5032	3/16/2020	*
Newgen Management LLC	3873 Route 516 East	Old Bridge	NJ	08857	(732) 661-8856	7/1/2019	
Kanwar & Marisa Narula	502 Township Line Rd.	Belle Mead	NJ	08502	(908) 331-8661	5/21/2020	*
Kanwar & Marisa Narula	649 Route 206 N, Suite 1C	Hillsborough	NJ	08844	(908) 533-1525	6/4/2019	*
CN Moorestown LLC	430 Suffolk Drive	Cherry Hill	NJ	08002	(516) 474-2232	11/10/2019	*
Nainsi Sheth & Vandana Pandey	383 Market Street, Building B, Unit 6	Saddle Brook	NJ	07663	(973) 919-6829	1/25/2020	*
Nainsi Sheth & Vandana Pandey	260 Sunset Key	Seacaucus	NJ	07094	(973) 919-6829	11/25/2020	*
CNTIFICS LLC	4014 U.S. 9	Howell Township	NJ	07731	(732) 910-2521	11/26/2019	
Cuthbert Franchises LLC	771 Cuthbert Blvd., Executive Campus, Suite 100	Cherry Hill	NJ	08002	(609) 781-0938	11/30/2019	*
Cuthbert Franchises LLC	771 Cuthbert Blvd., Executive Campus, Suite 100	Cherry Hill	NJ	08002	(609) 781-0938	11/30/2019	*
Cuthbert Franchises LLC	771 Cuthbert Blvd., Executive Campus, Suite 100	Cherry Hill	NJ	08002	(609) 781-0938	11/30/2020	*
Ocean County Ninjas, LLC	66 Tony Court	Brick	NJ	08724	(201) 206-9308	11/29/2020	*

Ocean County Ninjas, LLC	1256 Indian Head Rd/Suite 33	Toms River	NJ	08724	(201) 206-9308	1/2/2020	*
Java Ninjas LLC	1095 Washington Blvd, Suite 1063	Robbinsville	NJ	08691	(908) 616-4647	2/1/2020	*
ANKUR SHAH, AVANI TRIVEDI, JIGNA PATEL & VISHAL PATEL	15 Boehm Way	Hillsborough	NJ	08844	(908) 616-4647	1/29/2020	*
AARPS Robotics LLC	37 Gill Lane	Iselin	NJ	08830	(804) 245-0299	12/26/2019	
Greyson Holdings, LLC	215 Route 22 East	Green Brook	NJ	08812	(908) 922-6766	2/19/2020	
Plumeria Ventures, LLC	490 N Maple Ave	Ridgewood	NJ	07450	(917) 400-8011	3/30/2020	*
Plumeria Ventures, LLC	490 N Maple Ave	Ridgewood	NJ	07450	(917) 400-8011	3/30/2021	*
Big Dreams Vegas Inc	7501 W Lake Mead Blvd	Las Vegas	NV	89128	(702) 518-0116	2/18/2019	
Center of Science & Technology, LLC	6955 N. Durango, Suite 1113-1114	Las Vegas	NV	89149	(702) 741-4284	5/15/2019	
Full Steam Maker Lab, Inc.	613 Jericho Turnpike	Syosset	NY	11791	(631) 760-1335	7/1/2018	
Vidyullatha Jakkani, Neelima Kanakamedala & Kiran Kumar Kothamachu	49 Valleywood Drive	Glenville	NY	12302	(518) 209-5211	11/1/2019	*
Vidyullatha Jakkani, Neelima Kanakamedala & Kiran Kumar Kothamachu	15 Park Ave	Clifton Park	NY	12065	(518) 400-2013	5/18/2019	*
Kee and Jennifer Ma	246 Jericho Turnpike	Floral Park	NY	11001	(516) 253-0328	6/1/2019	
Corlim Corporation	3040 Monroe Ave	Rochester	NY	14618	(585) 435-1900	11/2/2019	
Sherril Sharma	212 Barton Ave	Melville	NY	11747	(631) 327-0279	11/29/2020	*
Sherril Sharma	213 Barton Ave	Melville	NY	11747	(631) 327-0279	11/30/2019	*
Ronny Beyer & Cheng Yang	31-35 31st Street	Astoria	NY	11106	(917) 579-7204	3/2/2020	
CN Scarsdale Inc.	132 Parkview Place	Mount Kisco	NY	10549	(617) 710-2855	4/9/2021	*
CN Westchester One LLC	132 Parkview Place	Mount Kisco	NY	10549	(617) 710-2855	4/9/2020	*
Stuebs Enterprises LLC	915 KENTUCKY CIRCLE	Marysville	OH	43040	(937) 361-1119	2/1/2020	*
STUEBS ENTERPRISES POWELL LLC	254 West Olentangy Street	Powell	OH	43065	(614) 389-3376	6/5/2018	*
Stuebs Enterprises Inc.	915 KENTUCKY CIRCLE	Marysville	OH	43040	(937) 361-1119	2/1/2021	*
STUEBS ENTERPRISES HILLIARD LLC	3971 Trueman Blvd	Hilliard	OH	43026	(614) 219-1746	4/14/2018	*
Mathur Education Group, LLC	9412 River Crest St. NW	Massillon	OH	44647	(330) 608-0492	2/2/2020	
Rob Bumm	35650 Detroit Road, Ste 102	Avon	OH	44011	(440) 834-2749	5/4/2019	
Uncommon Sensei INC	7426 Beechmont Ave	Suite BF	OH	45255	(765) 404-8487	10/1/2019	*
KPSI Tulsa LLC	10126 South Memorial Drive, Suite B	Tulsa	OK	74133	(918) 707-2633	6/15/2019	*
KPS International LLC	9803 East 119th Street South	Bixby	OK	74008	(918) 398-0843	5/10/2020	*
Bnew LLC	18081 SW Lower Boones Ferry Road, Suite 1	Tigard	OR	97224	(971) 229-2900	6/15/2019	*
Tiny Rocket Inc	17110 NW Broken Top Dr.	Beaverton	OR	97006	(503) 395-1234	4/20/2020	*
Tiny Rocket Inc.	17110 NW Broken Top Dr.	Beaverton	OR	97006	(503) 395-1234	4/20/2021	*
Yiotis Group, Inc.	150 East Pennsylvania Ave, Suite 410	Downingtown	PA	19335	(484) 364-4964	8/4/2018	
Learn2Code, Inc	74 Pottstown Pike, Suite 1006 - 1007	Chester Springs	PA	19425	(484) 202-0001	7/22/2019	

Meyner Corporation	2630 Brandt School Road	Wexford	PA	15090	(724) 473-5592	4/1/2019	
Two Pizza Enterprises	1225 Carlisle St, Suite 3	Hanover	PA	17331	(717) 408-1888	5/13/2019	
TLY 670 LLC	678 Stony Hill Rd, Suite 9	Yardley	PA	19067	(267) 819-2633	8/31/2019	*
TLY 670 LLC	678 Stony Hill Rd, Ste 9	Morrisville	PA	19067	(215) 962-1707	11/20/2020	*
Phan VD, LLC	9 Locust Lane	Chadds Ford	PA	19317	(610) 639-9035	11/30/2020	*
Phan VD, LLC	215 Lancaster Ave, Suite E-9	Malvern	PA	19355	(610) 639-9035	11/30/2019	*
Born Genius, LLC	65 E. Germantown Pike	East Norriton	PA	19401	(405) 362-6337	2/20/2020	
Bright Approach, LLC	4106 Crescent Drive	Chester Springs	PA	19425	(610) 203-9855	4/8/2019	
ForceChamp LLC	107 Well St	Mechanicsburg	PA	17050	(717) 571-1069	6/18/2020	
Lazar Academics, LLC	1135 Stonecrest Blvd., Suite 105	Tega Cay	SC	29708	(803) 620-3994	12/18/2017	
Jagadeesh Gajula	1099 E Butler Rd.	Greenville	SC	29607	(864) 920-2633	11/17/2018	*
40+Love NC, LLC	1127 Aubrey Ln #304	Fort Mill	SC	29708	(812) 320-5265	3/1/2020	*
Jagadeesh Gajula	109 Bay Tree Court	Inman	SC	29349	(864) 431-0140	2/20/2020	*
Kiran Reddy	318 Cheshire Ln.	Indian Island	SC	29707	(704) 756-5531	2/3/2021	*
Kevin Fay	1053 Wessington Manor Ln.	Fort Mills	SC	29715	(703) 795-1289	6/26/2020	
Five Ninjas LLC	501 West 85th Street, Suite 513	Sioux Falls	SD	57108	(605) 679-6960	10/14/2019	
Black Hills Ninjas, LLC	5565 Bendt Dr, Suite: 403 & 404	Rapid City	SD	57702	(605) 786-4823	11/8/2019	
PROMETHEUS LLC,	1113 Murfreesboro Rd	Franklin	TN	37064	(615) 640-2633	10/13/2018	*
PROMETHEUS LLC,	1000 Valley Forge Drive	Arrington	TN	37014	(310) 629-0799	4/30/2020	*
PROMETHEUS LLC,	1000 Valley Forge Drive	Arrington	TN	37014	(310) 629-0799	3/1/2020	*
1670 Investments LLC	875 W. Poplar Ave, Suite 28	Collierville	TN	38017	(901) 910-6510	5/20/2019	*
1670 Investments LLC	10432 Wynbrooke Ln	Collierville	TN	38017	(901) 438-8738	6/26/2020	*
Code Ninjas Pearland, LLC	12810 Broadway St, Ste 160	Pearland	TX	77584	(832) 849-5110	3/18/2017	
Yao's Code Center LLC	2780 FM 1463	Katy	TX	77494	(281) 665-7412	2/24/2018	
KMBH CN1 LLC	109 N Murphy Rd	Murphy	TX	75094	(972) 349-1133	3/24/2018	*
KMBH CN2 LLC	3241 S. Custer Road	McKinney	TX	75070	(469) 631-7272	9/12/2018	*
KMBH CN1 LLC	3304 Callaway Ct.	Richardson	TX	75082	(972) 349-1133	1/20/2020	*
KMBH CN1 LLC	3304 Callaway Ct.	Richardson	TX	75082	(972) 349-1133	1/20/2021	*
Onmo, Inc	10990 Rolater Rd., Ste. 100	Frisco	TX	75035	(972) 987-5655	7/28/2018	*
K4 Group Holdings/Inc.	2500 King Arthur Blvd., Suite 122	Lewisville	TX	75056	(972) 410-0231	5/4/2019	*
JJSD holdings, LLC	3621 E Whitestone Blvd., Suite 500	Cedar Park	TX	78613	(512) 910-5521	5/12/2018	*
DIANDONLY	10900 Lakeline Mall Dr.	Austin	TX	78717	(512) 817-2633	7/8/2019	*
MEMORIAL SENSEIS, LLC,	12645 Memorial Dr	Houston	TX	77024	(832) 356-3773	3/18/2019	*
Xantos, LLC	580 S. Denton Tap Rd., Ste 121	Coppell	TX	75019	(469) 373-8934	9/24/2018	*
Xantos, LLC	2204 Thornbury Ln.	Allen	TX	75013	(505) 301-5459	3/20/2020	*
Xantos, LLC	220 Randol Mill Ave., Suite 100	Southlake	TX	76092	(469) 293-9300	8/21/2019	*
Xantos, LLC	2204 Thornbury Ln.	Allen	TX	75013	(505) 301-5459	3/20/2021	*
NXGen Education LLC	4444 HWY 6, Suite 700	College Station	TX	77845	(979) 690-8828	3/24/2018	
HGB Enterprises, LLC	635 Cibolo Valley Dr., Suite 157	Cibolo	TX	78108	(210) 314-4605	11/3/2018	*

Block Creations Inc	20322 Huebner Road, Ste 105	San Antonio	TX	78258	(210) 960-5380	5/19/2018	*
Block Creations Inc	23518 Seven Winds	San Antonio	TX	78258	(210) 960-5380	5/29/2020	*
Four Ninjas, LLC	4747 Research Forest Drive, Ste. 195	The Woodlands	TX	77381	(346) 331-2178	6/2/2018	
ATIF AND NAEEM INVESTMENTS, LLC	4525 Kingwood Drive, Suite 120	Kingwood	TX	77345	(281) 727-0900	6/23/2018	*
THESTART.IO, LLC	4500 E Palm Valley Blvd, Suite 104	Round Rock	TX	78665	(512) 710-7864	6/30/2018	*
Aitareya LLC	18318 University Blvd, Ste 100	Sugar Land	TX	77479	(281) 456-3010	6/3/2018	*
Brihadaryanyaka, LLC	17101 W Grand Parkway S, Suite 65	Sugar Land	TX	77479	(281) 456-3010	8/16/2018	*
Aitareya LLC	5054 Skipping Stone Lane	Sugar Land	TX	77479	(314) 498-3199	7/4/2020	*
Five Senseis, Inc	22167 Westheimer Parkway, Suite 140	Katy	TX	77450	(281) 301-5380	7/7/2018	*
MTKA Corp	10920 Fry Road, Suite 800	Cypress	TX	77433	(832) 479-6041	5/20/2018	
Aitareya, LLC	5054 Skipping Stone Lane	Sugar Land	TX	77479	(281) 456-3010	3/4/2021	*
ATIF AND NAEEM INVESTMENTS, LLC	24430 Sundance Spring Drive	Porter	TX	77365	(832) 205-2860	1/1/2020	*
ATIF AND NAEEM INVESTMENTS, LLC		Spring	TX	77379	(281) 727-0900	5/24/2019	*
HGB Enterprises, LLC	26419 Cedro	San Antonio	TX	78260	(210) 385-2374	5/15/2020	*
HGB Enterprises, LLC	26419 Cedro	San Antonio	TX	78260	(210) 385-2374	3/5/2021	*
Acro Ninjas, INC	9911 Brodie Lane, Suite 650	Austin	TX	78748	(512) 522-0707	5/20/2019	*
Acro Ninjas, INC	2501 Burly Oak Drive	Austin	TX	78745	(512) 758-5686	8/30/2019	*
Blueshift Technologies LLC	12651 Vance Jackson, Ste 101	San Antonio	TX	78249	(210) 570-2467	12/17/2018	
20X - Tanglewood, LLC	5709 Woodway Dr, Ste G	Houston	TX	77057	(832) 777-3662	1/14/2019	*
20X, LLC	6143 Longmont Drive	Houston	TX	77057	(713) 818-2195	3/6/2021	*
20X, LLC	6143 Longmont Drive	Houston	TX	77057	(713) 818-2195	9/6/2021	*
20X- Pearland, LLC	8325 Broadway St., Suite 224	Pearland	TX	77581	(832) 777-3662	1/28/2019	*
Miss Hammered LLC	2100 Autumn Slate Dr., Suite # 100	Pflugerville	TX	78660	(512) 537-4948	5/4/2019	
Ninja Ventures LLC	7915 W Loop 1604 N, Suite 115	San Antonio	TX	78254	(210) 776-4652	2/11/2019	
BrandB LLC	4751 Louetta Rd	Spring	TX	77388	(281) 456-3842	10/13/2018	
THESTART.IO, LLC	1090 W Exchange Pkwy, #8417	Allen	TX	75013	(512) 736-7272	6/30/2020	*
THESTART.IO, LLC	2240 Matlock Rd., Suite 110	Mansfield	TX	76063	(682) 812-2816	12/30/2020	*
THESTART.IO, LLC	1090 W Exchange Pkwy, #8417	Allen	TX	75013	(512) 736-7272	6/30/2021	*
ATL LEARNING INC	6875 FM 1488, Suite 1100	Magnolia	TX	77354	(281) 756-7645	4/15/2019	
HEALE, Inc.	7915 Maple Trace Dr.	Houston	TX	77070	(832) 287-0328	5/2/2020	*
HEALE, Inc.	1104 Rayford Rd, Suite 700	Spring	TX	77386	(832) 813-8911	3/30/2019	*
Chhandogya LLC	10223 West Grand Parkway South, Suite #101	Richmond	TX	77407	(281) 456-3010	5/25/2019	*
Twelve Stones Investments, LLC	844 Kohlers Crossing, Suite 250	Kyle	TX	78640	(512) 862-2633	3/13/2019	
K4 Group Holdings Inc.	2240 Matlock Rd., Suite 110	Mansfield	TX	76063	(214) 799-8612	3/13/2019	*
CN Grand Prairie, LLC	2360 W. Camp Wisdom Rd, Suite 120	Grand Prairie	TX	75052	(682) 812-2519	5/19/2020	*
20X, LLC	6143 Longmont Drive	Houston	TX	77057	(713) 818-2195	3/6/2022	*

KIDCARE, LLC	3725 East League City Pkwy, Suite 140	League City	TX	77573	(612) 845-1109	9/16/2019	
Lazy S Ventures LLC	6305 66th Street, Suite 400	Lubbock	TX	79424	(806) 370-0022	9/16/2019	
Málita Ventures LLC	252 W Stonebrook Parkway, Suite 700	Erisco	TX	75034	(214) 783-9461	11/25/2019	
CC&C LLC	8127 Mesa Dr, Suite C-299	Austin	TX	78759	(512) 825-9713	2/29/2020	
Rushabh Doshi & Rini Bavishi	3529 Heritage Trace Pkwy Suite 173	Ft Worth	TX	76244	(201) 920-1917	4/20/2020	
Code Dallas One, LLC	5024 Denton Drive	Dallas	TX	75235	(214) 335-3893	6/17/2020	
Davina Chéw	1500A Barton Hills Dr	Austin	TX	78704	(201) 486-6227	6/29/2020	
Devang & Parul Gandhi	4606 Liberty Woods Lane	Sugarland	TX	77479	(832) 715-4998	6/29/2020	*
Devang & Parul Gandhi	4606 Liberty Woods Lane	Sugarland	TX	77479	(832) 715-4998	6/29/2021	*
CODE DALLAS LLC	5024 Denton Drive	Dallas	TX	75235	(214) 335-3893	6/17/2021	
MICHAEL & SONDA FRAMENT	Fairmont Pkwy & Center St	Pasadena	TX	77505	(346) 278-4434	7/24/2020	
Clark Educational Enterprises, LLC	1856 E. 9400 S.	Sandy	UT	84092	(801) 477-5126	10/15/2018	
Brandon Robins	1550 E 3500 N, Lot 3	Lehi	UT	84043	(801) 361-2625	7/1/2019	*
Brandon Robins	3721 W South Jordan Parkway, Ste 130	South Jordan	UT	84009	(801) 785-7192	3/18/2019	*
Brandon Robins	545 W Mountain View Road	Lehi	UT	84043	(801) 361-2625	4/1/2020	*
Brandon Robins	545 W Mountain View Road	Lehi	UT	84043	(801) 361-2625	10/1/2020	*
Suresh Rohaj & Praveena Solanki	4665 S Sycamore Drive	Salt Lake City	UT	84117	(801) 513-0390	6/25/2020	
Play Koders Enterprises, LLC	44110 Ashburn Shopping Plaza, Unit #130	Ashburn	VA	20147	(571) 349-8882	8/27/2018	*
Play Koders Enterprises, LLC	43128 Ashley Heights Circle	Ashburn	VA	20148	(571) 295-8188	3/1/2020	*
Infinite Ventures LLC	7543 Somerset Crossing Dr	Gainessville	VA	20155	(571) 248-0465	2/11/2019	
PHARAM LLC	10811 W Broad St., Suite 17	Glén Allen	VA	23060	(804) 396-4411	10/31/2019	
Ajay Kadyan	13569 Midlothian Tpke	Midlothian	VA	23113	(804) 893-4285	2/2/2019	
Star Enterprises LLC	24640 South Point Dr, Suite 150	Chantilly	VA	20152	(571) 581-2633	11/5/2018	*
Venkata Srikanth Pratti	26005 Fair Ponds Lane	Chantilly	VA	20152	(571) 314-6102	9/29/2019	*
Julian Rivera and John McLaren	3300 Princess Anne Rd, Suite 739	Virginia Beach	VA	23456	(757) 866-4652	7/22/2019	*
Julian Rivera and John McLaren	904 Breck Court	Virginia Beach	VA	23464	(757) 800-2643	9/30/2020	*
FISHER-RYAN CONSULTING, LLC	4700 King Street, Suite 15	Alexandria	VA	22302	(571) 310-0554	11/23/2019	*
FISHER-RYAN CONSULTING, LLC	510 S. Washington Street, Suite F	Falls Church	VA	22046	(571) 310-0554	5/13/2019	*
Lopez Ventures LLC	9526 Old Keene Mill Road, Suite A	Burke	VA	22015	(571) 310-1143	6/1/2019	
Star Enterprise LLC	26005 Fair Ponds Lane	Chantilly	VA	20152	(571) 314-6102	5/29/2020	*
Mike & Laura Catan	663 Potomac Station Dr NE, Suite 10	Leesburg	VA	20176	(571) 577-8832	6/3/2019	
Infinite Ventures, LLC	42081 Greenstone Dr.	Stone Ridge	VA	20105	(703) 505-9074	4/30/2021	
Keyminds, LLC	3415 Holly Rd	Annandale	VA	22003	(703) 383-1703	8/2/2020	*
Keyminds, LLC	3415 Holly Rd	Annandale	VA	22003	(703) 383-1703	7/29/2021	*
STYLISH LEARNING CORP	4130 221st Place SE	Bothell	WA	98021	(425) 922-9088	7/30/2020	*
STYLISH LEARNING CORP	13316 Newcastle Commons Dr	Newcastle	WA	98059	(425) 659-2633	2/1/2019	*

STYLISH LEARNING CORP	4130 221st Place SE	Bothell	WA	98021	(425) 922-9088	5/6/2020	*
Bnew LLC	3711 NE 178th Ct	Vancouver	WA	98682	(503) 583-7487	8/7/2019	*
Moneytalk LLC	15704 Mill Creek Blvd, suites 5&6	Mill Creek	WA	98012	(612) 414-6685	1/31/2020	
CNSI LLC	3056 Issaquah Pine Lake Rd SE	Sammamish	WA	98075	(425) 221-7956	11/29/2019	
Codezone LLC	23009 36th Dr SE	Bothell	WA	98021	(503) 367-0255	8/20/2020	
Uhler Coders LLC	2414 Montana Avenue	Sun Prairie	WI	53590	(608) 318-3885	5/21/2019	
Milwaukee Schwabes, LLC	3815 N. Brookfield Rd, Suite 101	Brookfield	WI	53045	(414) 617-1394	3/4/2020	
CODE VOYAGE LLC	2525 Almesbury Ave.	Brookfield	WI	53045	(262) 641-0530	7/8/2020	
Sarah Romer & Thea True Wells	4110 Kodiak	Casper	WY	82604	(801) 920-5668	8/21/2020	

EXHIBIT G

LIST OF FRANCHISEES AND AREA DEVELOPERS WHO HAVE LEFT THE SYSTEM

Franchisee Name	Street Address	City	State	Zip Code	Telephone
UNICODE LLC	4823 E Williams Dr.	Phoenix	AZ	85054	(480)290-8391
Advance Digital Life Inc	12629 NW 13th St.	Sunrise	FL	33323	(347)259-1445
Wilson Chan	1605 Parkside Place	Indian Harbour Beach	FL	32937	(321)501-1321
Joe & Hope Robbins	445 N. Lake Dr.	Catula	GA	31804	(706)332-7502
Iowa Ninjas, LLC	512 N.29th St .	Cumming	IA	50061	(515)537-0479
ARYOM LLC	2372 Sutton Lane	Aurora	IL	60502	(248)961-2366
BE Galford, LLC	108 Brass Ring Ct.	Cary	NC	27513	(412)680-0142
Beatson Enterprises, LLC	812 Boone Ridge Ln.	Cary	NC	27519	(919)270-7380
Liquid Metal Solutions LLC	9547 Burford Lane NW	Concord	NC	28027	(972)955-9527
Mom Coders LLC	3929 Heritage View Trail	Wake Forest	NC	27587	(919)995-2632
Redvin LLC Omaha	530 S 161st Circle	Omaha	NE	68118	(402)880-5924
The Reliem Company	200 Peach Ord Ave.	Oakwood	OH	45419	(410)562-9148
Rafael & Georgina Garcia	912 Las Pistas Pl.	El Paso	TX	79912	(915)449-3209

EXHIBIT H
FINANCIAL STATEMENTS



Salmon Sims Thomas

ACCOUNTANTS & CONSULTANTS

To the Member of
Code Ninjas, LLC

We have audited the financial statements of Code Ninjas, LLC (the Company) as of and for the year ended December 31, 2019 and have issued our report thereon dated April 15, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 6, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Company solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding control deficiencies and other matters noted during our audit in a separate letter to you dated April 15, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we communicated to you in our engagement letter previously outlined.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Code Ninjas, LLC is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the Company changed its method of accounting for revenue recognition by adopting ASU 2014-09, Revenue from Contracts with Customers (Topic 606). Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Changes in Member's Equity (Deficit). No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

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As Amended

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the allowance for doubtful accounts is based on historical sales, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation expense was based on the useful lives of capital assets. We evaluated the useful lives and assumptions used to develop the depreciation calculation and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of amortization expense was based on the useful lives of intangible assets. We evaluated the useful lives and assumptions used to develop the amortization calculation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Company's financial statements relate to:

The disclosure of related party transactions in Note 2 to the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected misstatements for 2019.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: recording accrued salaries expense, depreciation and amortization expense, deferred revenue (current term and long term), and removing accounts receivable for the centers with no franchise agreements signed.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Company's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated April 15, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Company, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Company's auditors.

This report is intended solely for the information and use of the member, and management of Code Ninjas, LLC and is not intended to be and should not be used by anyone other than these specified parties.



Salmon Sims Thomas & Associates
A Professional Limited Liability Company

April 15, 2020



Salmon Sims Thomas

ACCOUNTANTS & CONSULTANTS

April 15, 2020
Code Ninjas, LLC

To Management and the Member:

In planning and performing our audit of the financial statements of Code Ninjas, LLC (the Company), as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

Franchise Tracking (Repeat Comment)

Observation

During the audit we noted that, while the Company maintains a franchise schedule it did not contain all pertinent information concerning franchises and area development fees to be paid and was not reconciled to the trial balance. This could lead to errors in the financial statements not

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being discovered until the time of the audit which can affect audit efficiency and revenues being recorded in the financial statements.

Recommendation

We recommend that a schedule of franchise sales be maintained by fiscal year with all pertinent terms of the franchise and development agreements, including all fees and expected payments. Performance obligations associated with franchise sales should be updated so that the deferred revenue can be calculated accordingly. In addition, this schedule should be reconciled to QuickBooks on a quarterly basis, at minimum. This reconciliation should then be reviewed by a second person. This reconciliation helps verify the completeness of the franchise revenue recorded in QuickBooks and therefore in the financial statements.

Capitalization Policy

Observation

At present, no formal capitalization policy exists for the Company. This creates a possible situation whereby the following may occur: asset purchases of individually significant amounts not being recorded as such and not on the schedule of fixed assets; asset purchases of immaterial amounts being considered as purchases of fixed assets and included on the schedule of fixed assets.

Recommendation

We recommend the Company implement a policy that would designate expenditures over a certain dollar value as capital expenditures that are to be recorded as depreciable fixed assets. This will set a company standard regarding the level of fixed assets that will need to be recorded as fixed assets with appropriate accounting treatment. This will allow for much stronger control of existing fixed assets to ensure company assets are properly safeguarded.

The following is a suggestion to improve the operations of the Company:

Accounting Oversight Function

Observation

The current accounting department performs adequately in the basic accounting and recordkeeping function. However, we feel the process is lacking a higher-level supervisory or review function typically performed by a Controller or equivalent. Many of the special accounting issues for the franchise business have become increasingly complex and require extensive expertise to ensure that the accounting and reporting are accurate and in accordance with applicable standards.

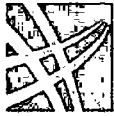
Recommendation

We recommend the Company consider hiring or contracting a Controller with franchise business experiences, possibly on a part-time basis, to provide the needed higher-level accounting supervisory role consistently throughout the year.

This communication is intended solely for the information and use of management and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Salmon Sims Thomas

Salmon Sims Thomas & Associates
A Professional Limited Liability Company
April 15, 2020



Salmon Sims Thomas
ACCOUNTANTS & CONSULTANTS

Consent of Independent Auditor

To Whom it may concern:

Salmon Sims Thomas & Associates, PLLC consents to the use in the Franchise Disclosure Document issued by Code Ninjas, LLC ("Franchisor") on April 29, 2020, as it may be amended, of our report dated April 15, 2020, relating to the financial statements of the Franchisor for the year ended December 31, 2019.

Sincerely

Eileen Keller, Partner
Dallas, Texas
Firm #C06455

CODE NINJAS, LLC
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2019 AND 2018 (RESTATED)

**CODE NINJAS, LLC
TABLE OF CONTENTS
DECEMBER 31, 2019 AND 2018**

INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Income.....	4
Statements of Changes in Member's Equity (Deficit)	5
Statements of Cash Flows	6
Notes to the Financial Statements.....	7-13



Salmon Sims Thomas
ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Member
of Code Ninjas, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Code Ninjas, LLC (a Texas limited liability company), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income, changes in member's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion:

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Code Ninjas, LLC as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Salmon Sims Thomas

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

April 15, 2020

Code Ninjas, LLC
Balance Sheets
December 31, 2019 and 2018 (Restated)

ASSETS		
	2019	Restated 2018
Current Assets		
Cash	\$ 1,055,242	\$ 887,386
Accounts receivable	290,738	741,253
Total Current Assets	<u>1,345,980</u>	<u>1,628,639</u>
Non-Current Assets		
Due from related parties	4,422,916	2,178,386
Property and equipment, net of accumulated depreciation	36,347	-
Total Non-Current Assets	<u>4,459,263</u>	<u>2,178,386</u>
Other Assets		
Intangible assets, net of accumulated amortization	11,684	5,180
Total Other Assets	<u>11,684</u>	<u>5,180</u>
TOTAL ASSETS	<u>\$ 5,816,927</u>	<u>\$ 3,812,205</u>
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	\$ 55,284	\$ 50,545
Credit card payable	63,213	24,561
Accrued payroll	105,371	139,196
Accrued interest	4,720	16,000
Deferred franchise revenue, current portion	1,945,273	2,096,913
Note payable, related party	100,000	200,000
Total Current Liabilities	<u>2,273,861</u>	<u>2,527,215</u>
Non-Current Liabilities		
Due to related parties	-	434,841
Deferred franchise revenue	3,670,041	1,404,980
Total Non-Current Liabilities	<u>3,670,041</u>	<u>1,839,821</u>
Total Liabilities	5,943,902	4,367,036
Member's Equity (Deficit)	<u>(126,975)</u>	<u>(554,831)</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	<u>\$ 5,816,927</u>	<u>\$ 3,812,205</u>

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

Code Ninjas, LLC
Statements of Income
For the Years Ended December 31, 2019 and 2018 (Restated)

	2019	Restated 2018
Revenue		
Franchise revenue	\$ 2,795,414	\$ 2,975,125
Royalty income	1,504,967	330,449
FranchiCzar royalty income	499,333	117,062
Rebate income	763,287	276,559
Administrative fees	333,105	136,500
Conference income	252,158	95,529
Other income	244,937	41,112
Total Revenue	<u>6,393,201</u>	<u>3,972,336</u>
Operating Expenses		
Advertising	501,347	157,949
General and administrative	343,271	241,522
Occupancy	186,563	134,784
Professional fees	710,441	311,401
Salaries and wages	2,899,890	1,685,411
Conferences	305,353	171,176
Travel	266,027	89,125
FranchiCzar royalty expense	499,333	117,062
Amortization	2,520	1,355
Depreciation	3,590	-
Franchise tax	2,448	1,975
Other expense	200,824	-
Total Operating Expenses	<u>5,921,607</u>	<u>2,911,760</u>
Net Income	<u>\$ 471,594</u>	<u>\$ 1,060,576</u>

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

Code Ninjas, LLC
Statements of Changes in Member's Equity (Deficit)
For the Years Ended December 31, 2019 and 2018 (Restated)

Balance, December 31, 2017	\$ (1,925,594)
Net income	1,060,576
Member distributions	(37,259)
Prior period adjustment	<u>347,446</u>
Balance, December 31, 2018 - Restated	(554,831)
Net income	471,594
Impact of adoption of new accounting standard	<u>(43,738)</u>
Balance, December 31, 2019	<u>\$ (126,975)</u>

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

Code Ninjas, LLC
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018 (Restated)

	2019	Restated 2018
Cash Flows from Operating Activities		
Net income	\$ 471,594	\$ 1,060,576
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	2,520	1,355
Depreciation	3,590	-
Changes in operating assets and liabilities		
Accounts receivable	450,515	(706,303)
Prepaid expenses	-	16,160
Accounts payable	4,739	44,743
Credit card payable	38,652	9,443
Accrued payroll	(33,825)	(8,749)
Accrued interest	(11,280)	(13,589)
Due to related parties	(434,841)	3,655
Deferred franchise revenue	2,069,683	1,814,105
Net Cash Provided by Operating Activities	<u>2,561,347</u>	<u>2,221,396</u>
Cash Flows from Investing Activities		
Due from related parties	(2,244,530)	(1,435,662)
Purchase of property and equipment	(39,937)	-
Purchase of intangible assets	(9,024)	-
Net Cash Used by Investing Activities	<u>(2,293,491)</u>	<u>(1,435,662)</u>
Cash Flows from Financing Activities		
Owner distributions	-	(37,259)
Payment on note payable, related party	(100,000)	(200,000)
Net Cash Used by Financing Activities	<u>(100,000)</u>	<u>(237,259)</u>
 Net Increase in Cash	 167,856	 548,475
 Cash Balance at December 31, 2018	 <u>887,386</u>	 <u>338,911</u>
 Cash Balance at December 31, 2019	 <u>\$ 1,055,242</u>	 <u>\$ 887,386</u>

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

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2019 and 2018 (Restated)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Code Ninjas, LLC, (Company) is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Organization

Code Ninjas, LLC is a registered single member limited liability company organized under the laws of the state of Texas. The Company is owned by another single member limited liability company which is owned by an "S" corporation. The Company was organized on August 17, 2016 in Pearland, Texas. The Company markets and operates franchise agreements for the "Code Ninjas" system of after-school enrichment classes.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording the realizable value of accounts receivable, depreciation and amortization expense. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

Income Taxes

The Company is not subject to federal income taxes. All net income and losses flow to the S corporation discussed above.

State Income Tax

The State of Texas charges a "margin" tax on all entities. This margin tax is, in substance, a state income tax. The margin tax is accrued and included in accounts payable as of December 31, 2019 and 2018.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statements of income or accrued in the balance sheets. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2019 and 2018 (Restated)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost or fair value at the date of purchase, less accumulated depreciation. Major expenditures and those that substantially increase useful lives are capitalized. Maintenance, repairs and replacements, which do not improve or extend the lives of the respective assets, are included in the statements of income. When furniture or equipment are sold or otherwise disposed of, the asset and related accumulated depreciation is removed, and any gain or loss is included in the statements of income. Depreciation has been calculated as follows:

Computer equipment	5 years
Machinery equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	10 years

Depreciation expense for the years ended December 31, 2019 and 2018 was \$3,590 and \$0, respectively

Fair Value of Financial Instruments and Fair Value Measurements

The Company's financial instruments, none of which are held for trading purposes, include cash, accounts receivable, accounts payable and notes payable. The Company estimates that the fair value of all financial instruments at December 31, 2019 and 2018 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2019 and 2018. The Company places its cash, which at times may exceed federal insured limits, with high credit quality financial institutions. The Company has not experienced any losses on such accounts.

Accounts Receivable

Accounts receivable represent amounts billed and receivable. All outstanding receivables are considered collectible. Therefore, no allowance for doubtful accounts has been established.

Revenue Recognition

The Company transitioned to FASB Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*, from ASC Topic 605 and ASC Subtopic 952-606, *Franchisors – Revenue Recognition* (together, the "Previous Standards") in January 2019 using the modified retrospective transition method. See Note 6 for the impact of transition to ASC Topic 606.

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2019 and 2018 (Restated)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

The core principle of ASC Topic 606 is that a reporting entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled for the exchange of those goods or services. The Company reviews contracts at inception to determine if they represent a single performance obligation or multiple performance obligations.

The Company's franchise related revenue typically contains seven performance obligations: execution of the franchise agreement, onboarding, site selection and lease approval, furniture, equipment and signage, pre-opening new franchisee training, franchise training and opening. When a contract has multiple performance obligations, the transaction price is allocated to each performance obligation based on the estimated relative standalone selling prices of the goods or services at the inception of the contract. A portion of the transaction price is allocated to use of license, software and training updates and is amortized on the straight-line basis over the term of the franchise agreement, typically five years. The initial franchise fees are payable based on contract terms prior to the franchise opening.

Renewal franchise fees are recognized upon renewal due to immateriality. When a franchised center is transferred to a third party, the terms of the agreement are analyzed to determine if the transaction should be recognized as a termination or a continuation of the original franchise agreement. If deemed a termination, any remaining deferred revenue from the original agreement as well as payments received from the transferor are recognized at the time of the termination and payments received from the new franchisee are deferred and recognized over the new franchise term. If deemed a continuation, all fees, including the remaining original unrecognized fees are deferred over the term of the new agreement.

The Company also receives royalty and administrative fees on the individual centers developed. Royalties are determined as a percentage of sales and are recognized in the same period as the related franchised center revenue. Administrative fees are a set monthly fee per franchised center.

Deferred Revenue

Deferred franchise revenue represents franchise fees received in excess of those earned. The balance was \$5,615,314 and \$3,501,893 as of December 31, 2019 and 2018.

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2019 and 2018 (Restated)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Asset

The Company is amortizing internet domain registry costs over their estimated useful lives of 5 years on the straight-line basis. The Company capitalized internet domain costs totaling \$16,772 and \$7,747 as of December 31, 2019 and 2018; the related accumulated amortization was \$5,088 and \$2,567 as of December 31, 2019 and 2018, respectively.

Recent Accounting Pronouncements – Implemented

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, as an update to ASC 230, Statement of Cash Flows. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The updated guidance will result in a change in the statement of cash flows to include restricted cash and restricted cash equivalents. No other material impact is expected. The Company had no restricted cash as of December 31, 2019 and 2018.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The new standard requires lessees to recognize a right-of-use (ROU) asset and a related lease liability for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of income and statement of changes in member's equity (deficit). Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The new standard is effective for private entities for annual periods beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Company is in the process of evaluating the potential impact of ASU 2016-02 on its financial statements but expects that it will not result in a significant increase in long-term assets and liabilities given the Company does not have a significant number of leases. The Company will be adopting this update in 2021.

Advertising Costs

Advertising costs are expensed as incurred.

Date of Management's Review

The Company has evaluated subsequent events for potential recognition and disclosure through April 15, 2020, which is the date the financial statements were available to be issued. See Note 8.

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2019 and 2018 (Restated)

NOTE 2 - RELATED PARTY TRANSACTIONS

During 2018, related parties, under common control, paid payroll and rent expenses of the Company. The Company had a balance due to related parties totaling \$434,841 for these expenses as of December 31, 2018. As of December 31, 2019, the balance had been paid off.

During 2019 and 2018, the Company advanced related parties, under common control, funds for payroll, rent and other operating expenses. The Company had a balance due from related parties of \$4,422,916 and \$2,178,386 as of December 31, 2019 and 2018, respectively. Management does not expect to receive repayment of these funds within the next operating cycle.

During 2019 and 2018, the Company collected royalty income on behalf of a related party under common control and transferred the income to the related party on a weekly basis. The total collection and transfer-out were offset. The Company collected and paid the royalty income to the related party totaling \$499,333 and \$117,062 for the years ended December 31, 2019 and 2018, respectively.

NOTE 3 - NOTES PAYABLE - RELATED PARTY

On June 20, 2017, a related party made a \$200,000 loan to the Company. The loan is unsecured and bears interest at 1.18% and is due when called upon. The balance was \$100,000 and \$200,000 at December 31, 2019 and 2018, respectively.

Accrued interest expense on the remaining note totaled \$4,720 and \$16,000 as of December 31, 2019 and 2018, respectively.

NOTE 4 - LEASE COMMITMENTS

The Company leases office space under a non-cancelable operating lease with a base monthly payment of approximately \$8,700. The lease will expire in 2020. Rental expense for the years ended December 31, 2019 and 2018 was \$151,396 and \$114,728, respectively.

Future minimum lease payments at December 31, 2019 are as follows:

2020	\$ 95,656
2021 and thereafter	-

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2019 and 2018 (Restated)

NOTE 5 – PRIOR PERIOD ADJUSTMENT

During the preparation of the December 31, 2019 financial statements, it was discovered that payroll expenses, rent expenses and other operating expenses incurred by related parties from 2017 and 2016 had been removed from the Company's expenses and recorded as receivables due from related parties as of December 31, 2017 and 2016. This resulted in a discrepancy between the Company's accounting records and the 2017 and 2018 audited financial statements. In addition, it was discovered that incorrect franchise fees were used in the 2018 deferred revenue calculation, which resulted in an understatement in the deferred revenue as of December 31, 2018. Had the adjustment been made as of December 31, 2018, receivables due from related parties would have increased by \$483,736, deferred revenue would have increased by \$136,288, and member's deficit would have increased by \$347,448.

NOTE 6 – IMPACT OF TRANSITION TO ASC TOPIC 606

The Company recorded an adjustment to reduce opening member's deficit by \$43,738. Due to the impact of adopting ASC Topic 606, franchise fees and area development fees are recognized as revenue at the completion of performance obligations and on a straight-line basis over the term of five years. Under the previous standards, franchise fees and area development fees were recognized as revenue at completion of three metrics: initial franchise fees are recognized 10% on completion of onboarding, 15% on receiving access to support systems and any remainder on soft opening or when the agreement is terminated. In accordance with ASC Topic 606, the disclosure of the impact of adoption on the Company's statement of income and balance sheet as of and for the year ended December 31, 2019 was as follows:

	As Reported with Adoption of ASC Topic 606	Adjustments	Balances under Previous Standards
Statement of Income			
Franchise revenue	\$ 2,795,414	\$ 1,704,452	\$ 4,499,866
Net income	471,594	1,704,452	2,176,046
 Balance Sheet			
Deferred revenue	\$ 5,615,314	\$ (1,437,966)	\$ 4,177,348
Member's equity (deficit)	(126,975)	266,486	139,511

NOTE 7 – CONTINGENCIES

In the normal course of business, the Company is party to various legal actions. There are no pending legal proceedings to which the Company is a party for which management believes the ultimate outcome would have a material adverse effect on the Company's financial position.

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2019 and 2018 (Restated)

Note 8 – SUBSEQUENT EVENTS

In early 2020, an outbreak of a novel strain of coronavirus (“COVID-19”) emerged globally. As a result, events have occurred domestically in the United States, including mandates from federal, state, and local authorities, leading to an overall decline in economic activity. The ultimate impact of COVID-19 on the financial performance of the Company cannot be reasonably estimated at this time.

Two hundred and twenty-seven franchised centers are temporarily closed. However, the Company’s Education Team has implemented activities in a virtual remote format for customers of each franchised center. The virtual remote format will continue as long as needed to ensure the safety of customers and franchisees. This format provides customers a combination of asynchronous videos along with synchronous learning sessions with instructors. The Company is applying for relief funds under the CARES Act and will continue to collaborate with local and national authorities to monitor this ever-changing situation.

Code Ninjas LLC
Balance Sheet
As of February 29, 2020

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
CN_checking_1316	798,995.44
Total Bank Accounts	\$ 798,995.44
Accounts Receivable	
Accounts Receivable	479,380.93
Accounts Receivable (A/R) - GBP	5,482.11
Total Accounts Receivable	\$ 484,863.04
Other Current Assets	
Credit Card Receivables	-22.00
Inventory Asset	0.50
Undeposited Funds	1,885.35
Total Other Current Assets	\$ 1,863.85
Total Current Assets	\$ 1,285,722.33
Fixed Assets	
Accumulated Depreciation	-3,590.00
Computer Equipment	9,357.93
Furniture & Fixtures	24,950.31
Intangible Assets	17,764.36
Accumulated Amortization	-5,087.19
Total Intangible Assets	\$ 12,677.17
Leasehold Improvements	-0.91
Machinery & Equipment	8,822.63
Total Fixed Assets	\$ 52,217.13
Other Assets	
Automotive	240.14
Code Ninjas Cares N/R	19,731.27
Code Ninjas Pearland N/R	352,642.58
FranchiCzar N/R	2,041,301.41
Graham REI N/R	810,808.32
Graham Ventures N/R	433,933.15
Licenses	0.00
MyFit18 N/R	714.22
Ninja Ventures N/R	113,373.02
Thrifty Gear N/R	365,533.72
Total Other Assets	\$ 4,138,277.83
TOTAL ASSETS	\$ 5,476,217.29
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	87,225.65

As Amended

Accounts Payable (A/P) - CAD	281.08
Accounts Payable (A/P) - GBP	6,952.19
Total Accounts Payable	\$ 94,458.92
Credit Cards	
AE Credit	-286,588.88
Andy_31064	107,456.93
Bert_31056	14,569.37
Chris_31031	412.62
Dave_31007	34,794.90
Jeff_31015	6,580.53
Joe_31080	169.75
Lan_31072	2,318.25
Marty_31023	12,537.74
Nick_31098	517.53
Shauna_31106	103.87
Victoria_31049	163,779.21
Total AE Credit	\$ 56,651.82
CN_credit_8578	-2,010,077.72
Andy_5139	275,817.12
Bert_2035 (cancelled)	12,712.11
Bert_5097	448,794.31
Chris_5007	2,881.01
Dave_4222	145,531.88
Dave_8578	707,311.76
Jeff_5161	17,192.37
Marty_1707 (cancelled)	8,022.46
Marty_7761	40,094.53
Victoria_7837	353,623.86
Total CN_credit_8578	\$ 1,903.69
Total Credit Cards	\$ 58,555.51
Other Current Liabilities	
Accrued Interest Payable	4,720.00
Accrued Salaries	105,371.00
AP Other	1,623.00
Deferred Revenues, Current Portion	1,945,273.00
Direct Deposit Payable	0.00
Intracompany Transfers	
CNP Transfers	-191,926.00
FC Transfers	-199,766.00
GV Transfers	-104,266.78
TG Transfers	-242,781.00
Total Intracompany Transfers	-\$ 738,739.78
Payroll Liabilities	
Federal Taxes (941/944)	0.00
Federal Unemployment (940)	0.00
TX Unemployment Tax	0.00
Total Payroll Liabilities	\$ 0.00
Stripe Reserved Funds	-2,592.95

As Amended

Total Other Current Liabilities	<u>\$ 1,315,654.27</u>
Total Current Liabilities	<u>\$ 1,468,668.70</u>
Long-Term Liabilities	
David Graham - Notes Payable	0.00
Deferred Revenues, Long Term	3,670,041.00
Due to FranchiCzar	0.00
Total Long-Term Liabilities	<u>\$ 3,670,041.00</u>
Total Liabilities	<u>\$ 5,138,709.70</u>
Equity	
Opening Balance Equity	0.00
Owner's Withdrawal	-37,258.64
Retained Earnings	-39,083.49
Net Income	413,849.72
Total Equity	<u>\$ 337,507.59</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 5,476,217.29</u>

As Amended



SALMON SIMS THOMAS

Accountants and Consultants

Consent of Independent Auditor

To Whom it may concern:

Salmon Sims Thomas & Associates, PLLC consents to the use in the Franchise Disclosure Document issued by Code Ninjas, LLC ("Franchisor") on April 1, 2019, as it may be amended, of our report dated March 27, 2019, relating to the financial statements of the Franchisor for the year ended December 31, 2018.

Sincerely

Eileen Keller, Partner

Dallas, Texas

Firm #C06455

CODE NINJAS, LLC
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2018 AND 2017

**CODE NINJAS, LLC
TABLE OF CONTENTS
DECEMBER 31, 2018 AND 2017**

INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Member Equity (Deficit)	5
Statements of Cash Flows	6
Notes to the Financial Statements	7-10



SALMON SIMS THOMAS

Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Member
of Code Ninjas, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Code Ninjas, LLC (a Texas limited liability company), which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, changes in member equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Code Ninjas, LLC as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Salmon Sims Thomas

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

March 27, 2019

Code Ninjas, LLC
Balance Sheets
December 31, 2018 and 2017

ASSETS

	2018	2017
Current Assets		
Cash	\$ 887,386	\$ 338,911
Accounts receivable	741,253	34,950
Total Current Assets	<u>1,628,639</u>	<u>373,861</u>
Non-Current Assets		
Due from related parties	696,244	259,963
Total Non-Current Assets	<u>696,244</u>	<u>259,963</u>
Other Assets		
Intangible assets, net of accumulated amortization	5,180	5,560
Prepaid expenses	-	16,160
Total Other Assets	<u>5,180</u>	<u>21,720</u>
TOTAL ASSETS	<u><u>\$ 2,330,063</u></u>	<u><u>\$ 655,544</u></u>

LIABILITIES AND MEMBER DEFICIT

Current Liabilities		
Accounts payable	\$ 50,545	\$ 5,800
Credit card payable	24,561	15,118
Accrued payroll	139,196	147,945
Accrued interest	16,000	21,041
Deferred franchise revenue, current portion	1,960,625	998,750
Note payable, related party	200,000	200,000
Total Current Liabilities	<u>2,390,927</u>	<u>1,388,654</u>
Non-Current Liabilities		
Accrued interest	-	8,548
Due to related parties	434,841	431,186
Deferred franchise revenue	1,404,980	552,750
Note payable, related party	-	200,000
Total Non-Current Liabilities	<u>1,839,821</u>	<u>1,192,484</u>
Total Liabilities	4,230,748	2,581,138
Member Equity (Deficit)	<u>(1,900,685)</u>	<u>(1,925,594)</u>
TOTAL LIABILITIES AND MEMBER DEFICIT	<u><u>\$ 2,330,063</u></u>	<u><u>\$ 655,544</u></u>

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

Code Ninjas, LLC
Statements of Operations
For the Years Ended December 31, 2018 and 2017

Revenue	2018	2017
Franchise revenues	\$ 2,975,125	\$ 40,000
Royalty income	447,511	15,038
Rebate income	276,559	-
Administrative fees	136,500	13,530
Conference income	95,529	-
Other income	41,112	3,162
Total Revenue	3,972,336	71,730
Operating Expenses		
Advertising	157,949	97,161
General and administrative	434,704	23,068
Occupancy	156,279	108,072
Professional fees	311,401	120,359
Salaries and wages	2,589,534	1,393,925
Conferences	171,176	-
Travel	89,125	37,578
Total Operating Expenses	3,910,168	1,780,163
Income (Loss) from Operations	62,168	(1,708,433)
Other Expense		
Interest expense	-	29,589
Net Income (Loss)	\$ 62,168	\$ (1,738,022)

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

Code Ninjas, LLC
Statements of Changes in Member Equity (Deficit)
For the Years Ended December 31, 2018 and 2017

Balance, December 31, 2016	\$ (187,572)
Net loss	<u>(1,738,022)</u>
Balance, December 31, 2017	(1,925,594)
Net income	62,168
Owner distributions	<u>(37,259)</u>
Balance, December 31, 2018	<u>\$ (1,900,685)</u>

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

Code Ninjas, LLC
Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Net income (loss)	\$ 62,168	\$ (1,738,022)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization	1,355	1,021
Changes in operating assets and liabilities		
Accounts receivable	(706,301)	(34,950)
Prepaid expenses	16,160	3,840
Accounts payable	44,743	(1,315)
Credit card payable	9,443	10,506
Accrued payroll	(8,749)	147,844
Accrued interest	(13,589)	29,589
Intangible assets	(975)	-
Due to related parties	3,655	377,495
Deferred franchise revenue	1,814,105	1,551,500
Net Cash Provided by Operating Activities	<u>1,222,015</u>	<u>347,508</u>
Cash Flows from Investing Activities		
Due from related parties	(436,281)	(233,162)
Purchase of intangible assets	-	(2,000)
Net Cash Used by Investing Activities	<u>(436,281)</u>	<u>(235,162)</u>
Cash Flows from Financing Activities		
Owner distributions	(37,259)	-
Proceeds from note payable, related party	-	200,000
Payment on note payable, related party	(200,000)	-
Net Cash Used by Financing Activities	<u>(237,259)</u>	<u>200,000</u>
Net Increase in Cash	548,475	312,346
Cash Balance at December 31, 2017	<u>338,911</u>	<u>26,565</u>
Cash Balance at December 31, 2018	<u>\$ 887,386</u>	<u>\$ 338,911</u>

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

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Code Ninjas, LLC, (Company) is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Organization

Code Ninjas, LLC is a registered single member limited liability company organized under the laws of the state of Texas. The Company is owned by another single member limited liability company which is owned by an "S" corporation. The Company was organized on April 29, 2016 in Pearland, Texas. The Company markets and operates franchise agreements for the "Code Ninjas" system of after-school enrichment classes.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording the realizable value of accounts receivable and amortization expense. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

Income Taxes

The Company is a disregarded entity for federal income tax purposes. Consequently, federal income taxes are not payable by or provided for by the Company, rather earnings or losses flow up to the S corporation discussed above.

State Income Tax

The State of Texas charges a "margin" tax on all entities. This margin tax is, in substance, a state income tax. The margin tax is accrued and included in accounts payable as of December 31, 2018. The Company did not meet the threshold requiring payment of margin tax for the year ending December 31, 2017.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and nonrelated interest or penalties have been recorded in the statement of income or accrued in the balance sheet. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments and Fair Value Measurements

The Company's financial instruments, none of which are held for trading purposes, include cash, accounts receivable, accounts payable and notes payable. The Company estimates that the fair value of all financial instruments at December 31, 2018 and 2017 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2018 and 2017. The Company has not experienced any such losses with these accounts.

Revenue Recognition

Franchise revenue is generated from three basic forms: development fees, initial franchise fees, and royalties. Development fees are paid to the Company as part of an agreement to open and operate a specific number of centers in a specified territory. The amount of the fee is based on the number of centers to be opened pursuant to the development agreement and secures the territory for exclusivity during the development. The fees collected are recognized based on metrics determined by the Company as discussed in the following paragraph. The Company's multi-unit development agreements specify the number of centers to be opened. Any changes to the specific number of centers would be stated in a subsequent contractual agreement. As of December 31, 2018, the Company had 74 centers open and 100 franchise agreements signed but not open.

The Company charges an initial franchise fee for providing operational materials, new center opening planning and functional training courses. Previously, initial franchise fees were paid upon the signing of the franchise agreement, except under an area development agreement when they were paid partially at the time of development agreement execution and thereafter upon the lease signing. The individual franchise fees are recognized at completion of three metrics setup by the Company. Initial franchise fees are recognized 10% on completion of onboarding, 15% on receiving access to support systems and any remainder on soft opening or when the agreement is terminated. Effective April 1, 2018, all fees are due upon signing of franchise and area development agreements and revenue is recognized based on the methods previously mentioned or when the applicable agreement is terminated.

The Company also receives royalty and administrative fees on the individual centers developed. Royalties are determined as a percentage of sales and are recognized in the same period as the related franchise center revenue. Administrative fees are a set monthly fee per franchise center.

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable represent amounts billed and receivable. All outstanding receivables are considered collectible. Therefore, no allowance for doubtful accounts has been established.

Intangible Asset

The Company is amortizing internet domain registry costs over their estimated useful lives of 5 years on the straight-line basis. The Company capitalized internet domain costs totaling \$6,772 as of December 31, 2018 and 2017; the related accumulated amortization was \$2,567 and \$1,212 as of December 31, 2018 and 2017, respectively.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” This update was issued to replace the current revenue recognition guidance, ASC 605-35, Revenue Recognition – Construction – Type and Production – Type Contracts. The standard is effective for reporting periods beginning after December 15, 2018. The Company is currently assessing the impact that adoption of Topic 606 will have on its results of operations.

In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842)”, (ASU 2016-02), which replaces the existing guidance in ASC 840, Leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. This pronouncement requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability.

The Company is currently assessing the impact that adoption of ASU 2016-02 will have on its results of operations but expects that it will not result in a significant increase in long-term assets and liabilities given the insignificant number of leases. This update will be adopted in 2020.

Advertising Costs

Advertising costs are expensed as incurred.

Prepaid Expenses

Prepaid expenses consist of 404 software licenses for future student use.

Date of Management’s Review

The Company has evaluated subsequent events for potential recognition and disclosure through March 27, 2019 which is the date the financial statements were available to be issued.

Code Ninjas, LLC
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 2 - RELATED PARTY TRANSACTIONS

During 2018 and 2017, related parties, under common control, paid payroll and rent expenses of the Company. The Company had a balance due to related parties totaling \$434,841 and \$431,186 for these expenses as of December 31, 2018 and 2017, respectively. Management does not expect to repay these funds within the next operating cycle.

During 2018 and 2017, the Company advanced related parties, under common control, funds for payroll, rent and other operating expenses. The Company had a balance due from related parties of \$696,244 and \$259,963 as of December 31, 2018 and 2017, respectively. Management does not expect to receive repayment of these funds within the next operating cycle.

NOTE 3 - NOTES PAYABLE - RELATED PARTY

On September 8, 2016, a related party made a \$200,000 loan to the Company. The loan was unsecured and bore interest at 8%. This note was paid in full in July 2018.

On June 20, 2017, the related party made an additional \$200,000 loan to the Company. The loan is unsecured and bears interest at 8% and is due on June 20, 2019 at which time the principal is due in full or can be converted to equity at a 20% discount.

Accrued interest on the remaining note totaled \$16,000 as of December 31, 2018.

NOTE 4 - LEASE COMMITMENTS

The Company leases office space under a non-cancelable operating lease, with monthly payments of approximately \$8,800, and expiration in 2022. Rental expense for the years ended December 31, 2018 and 2017 was \$136,000 and \$105,600, respectively.

Future minimum lease payments at December 31, 2018 are as follows:

2019	\$	112,900
2020		112,900
2021		112,900
2022		112,900
2023 and thereafter		-



SALMON SIMS THOMAS

Accountants and Consultants

March 27, 2019

To the Member of
Code Ninjas, LLC

We have audited the financial statements of Code Ninjas, LLC for the year ended December 31, 2018 and have issued our report thereon dated March 27, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 4, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Code Ninjas, LLC, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Management's estimate of amortization expense was based on the useful lives of intangible assets. We evaluated the useful lives and assumptions used to develop the amortization calculation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of related party transactions in Note 2 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatement detected as a result of the audit procedures was corrected by management: adjustment to deferred revenue.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 27, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the members of Code Ninjas, LLC and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Salmon Sims Thomas".

Salmon Sims Thomas & Associates
A Professional Limited Liability Company



SALMON SIMS THOMAS

Accountants and Consultants

To the Management of
Code Ninjas

In planning and performing our audit of the financial statements of Code Ninjas (the "Company") as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified deficiencies in internal control that we consider to be significant.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant.

Franchise Tracking Observation

During the audit we noted that, while the Company maintains a franchise schedule it did not contain all pertinent information concerning franchises and area development fees to be paid and was not reconciled to the trial balance. This could lead to errors in the financial statements not being discovered until the time of the audit which can affect audit efficiency and revenues being recorded in the financial statements.

Recommendation

We recommend that a schedule of franchise sales be maintained with all pertinent terms of the franchise and development agreements, including all fees and expected payments. In addition, this schedule should be reconciled to QuickBooks on a quarterly basis, at minimum. This reconciliation should then be reviewed by a second person. This reconciliation helps verify the completeness of the franchise revenue recorded in QuickBooks and therefore in the financial statements.

Deferred Revenue and Accounts Receivable Reconciliation Observation

During the audit we noted deferred revenue and accounts receivable was overstated due to area development fees being included that were not yet recognizable.

Recommendation

We recommend that deferred revenue and accounts receivable be reconciled on a quarterly basis and adjusted for fees that are not yet recognizable pending signed lease agreements. This reconciliation should be reviewed by a second person. This will ensure deferred revenue and accounts receivable are properly recorded in the financial statements.

12720 Hillcrest Road ■ Suite 500 ■ Dallas, TX ■ 75230 ■ 872.392.1143 ■ 888.332.4829 ■ 972.934.1269 fax ■ www.sstcpa.com

The following is a suggestion to improve the operations of the Company:

Lack of Signed Agreements

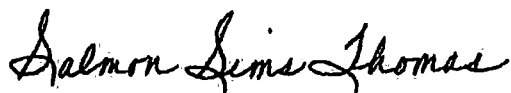
Observation

We noted during the audit that the Company does not have signed sales commission or note payable agreements.

Recommendation

We recommend the Company execute formal signed agreements for sales commissions and note payables. An agreement ensures that all details between the Company and the individual are correctly identified and helps to eliminate disagreements or errors.

This communication is intended solely for the information and use of management, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Salmon Sims Thomas".

Salmon Sims Thomas & Associates
A Professional Limited Liability Company
March 27, 2019

EXHIBIT I
TABLE OF CONTENTS TO CONFIDENTIAL OPERATIONS MANUALS

(1) Introduction (Pages 1-37)

1.1 Welcome to Code Ninjas

- 1.1.2 Entrepreneurship
- 1.1.3 Your Compliance Checklist
- 1.1.4 Code Ninjas News Feed
- 1.1.5 Important Owner Skills
- 1.1.6 Common Abbreviations and Terms
- 1.1.7 Required vs Preferred Vendors

1.2 Franchisee Support

- 1.2.1 Microsoft Teams Support
- 1.2.2 CNU
- 1.2.3 Zendesk
 - 1.2.3a Your Zendesk Profile
 - 1.2.3b Submitting a Request
- 1.2.4 Corporate Contacts

1.3 Office 365

- 1.3.1 Microsoft Teams
- 1.3.2 Favorite or Follow a Channel in Teams
- 1.3.3 Shared Email Access
- 1.3.4 Microsoft Bookings

1.4 What Is Coding?

- 1.4.1 Basic Coding Vocabulary
- 1.4.2 Common Coding Languages
- 1.4.3 Coding Resources

1.5 Marketing Overview

- 1.5.1 Marketing Definitions
- 1.5.2 Lead Conversion
- 1.5.3 Traditional Marketing

1.6 Public Relations & Community Outreach

- 1.6.1 Community Ordinances
- 1.6.2 Public Relations
- 1.6.3 Community Events

1.7 Corporate Alliance Program

- 1.7.1 Enrollment and Tours
- 1.7.2 Payments/Proceeds
- 1.7.3 Referrals and Feedback

1.8 Code Ninjas Cares

1.9 NinjaCon

(2) Policies and Guidelines (Pages 38- 88)

2.1 Code Ninjas Policies & Guidelines

- 2.1.1 General Policy Guidelines

- 2.1.2 Website Privacy
- 2.1.3 Microsoft Teams Usage
- 2.1.4 Signation
- 2.1.5 Record Destruction
- 2.1.6 In-School Code Ninjas Camps
- 2.1.7 Financial Reporting
- 2.1.8 Insurance Requirements for 2019
- 2.1.9 FranchiCzar Technology Fee
- 2.1.10 Contingency Planning
- 2.1.11 Microsoft Office 365
- 2.1.12 Student Transfers
- 2.2 Pre-Operational Policies
 - 2.2.1 Uniforms
 - 2.2.2 Student Safety
 - 2.2.3 Incident Report
 - 2.2.4 Zero Tolerance
 - 2.2.5 Emergency Devices
- 2.3 Operational Policies
 - 2.3.1 Center Inspections
 - 2.3.2 Tech Testing
 - 2.3.3 Security Testing
 - 2.3.4 Online Safety
 - 2.3.4a Roblox Safety
- 2.4 Marketing Policies
 - 2.4.1 Brand Name, Logo & Assets
 - 2.4.2 Graphic Design
 - 2.4.3 Photography
 - 2.4.4 Geographic Targeting
 - 2.4.5 Websites & Local Listings
 - 2.4.5a Center Director Biographies
 - 2.4.6 Social Media
 - 2.4.6a Guidelines
 - 2.4.6b Facebook Pages
 - 2.4.6c Facebook Boosted Posts
 - 2.4.7 Digital Advertising
 - 2.4.8 Marketing Agencies
 - 2.4.9 Paid Reviews & Endorsements
 - 2.4.10 System Ad Fund

(3) Phase 1 Real Estate, Construction , Center start up (Pages 89-137)

- 3.1 Site Selection
 - 3.1.1 Choosing Your Territory
 - 3.1.2 Finding A Site
 - 3.1.3 Signing A Lease
 - 3.1.4 Resale Assistance Program - increased demand

3.2 Legal

- 3.2.1 Domestic Laws and State Requirements
- 3.2.2 Canada Revenue Agency Requirements
- 3.2.3 Insurance Policies
- 3.2.4 Business Obligations
- 3.2.5 Background Checks
- 3.2.6 Messaging and Spamming Laws
- 3.2.7 Tuition Agreements

3.3 Financial

- 3.3.1 Financing
- 3.3.2 Taxes
- 3.3.3 QuickBooks
 - 3.3.3a QuickBooks Online
 - 3.3.3b Standard Chart of Accounts
 - 3.3.3c Exporting Expenses in QuickBooks
 - 3.3.3d FranchiCzar Integration with QuickBooks
- 3.3.4 Financial Reporting Standards
- 3.3.5 Stripe
 - 3.3.5a Payout Reports

3.4 Center Construction

- 3.4.1 Construction
- 3.4.2 Designing Your Space
- 3.4.3 Security Specifications
- 3.4.4 Required Center Electronics
 - 3.4.4a Laptops
 - 3.4.4b TVs
 - 3.4.4c Tablets
 - 3.4.4d Coffee Pot
 - 3.4.4e Internet Specs

3.5 Marketing

- 3.5.1 Preferred Vendors
- 3.5.2 Printed Materials
 - 3.5.2a How to Use PDF Templates
- 3.5.3 Facebook
 - 3.5.3a Facebook Boosted Posts
- 3.5.4 Instagram
- 3.5.5 Other Social Media
- 3.5.6 Online Reviews
- 3.5.7 Camp/Event/Activity Listings
- 3.5.8 Digital Marketing Packages
- 3.5.9 Mailchimp & Email Marketing

3.6 New Franchisee Training

- 3.6.1 NFT Requirements and Policies
 - Day 1
 - Day 2
 - Day 3

(4) Phase 2 Pre-Sales (Pages 138-180)

- 4.1 Customer Onboarding
 - 4.1.1 Leads
 - 4.1.2 What is a Prospect?
 - 4.1.3 Phone Protocol
 - 4.1.4 Email Templates
- 4.2 Telephone Inquiries
 - 4.2.1 Main Goal
 - 4.2.2 Handling Sales Objections
 - 4.2.3 Handling Difficult Callers
- 4.3 Center Hiring
 - 4.3.1 Finding A Team
 - 4.3.2 Hiring Tips
 - 4.3.3 Center Director Overview
 - 4.3.4 Code Sensei Overview
 - 4.3.5 Background Checks
 - 4.3.6 General Employment Laws
- 4.4 Building A Team
 - 4.4.1 Center Directors, Assistants and Code Senseis
 - 4.4.2 Team Meetings
 - 4.4.3 Performance Expectations
- 4.5 Employee Dojo
 - 4.5.1 System Requirements
 - 4.5.2 Staff Access
 - 4.5.2a Resetting a Sensei Password
 - 4.5.3 Center Profile
 - 4.5.4 Building Programs
 - 4.5.4a Archiving and Future Dating
 - 4.5.5 Point of Sale
 - 4.5.5a Creating Products
 - 4.5.6 Going Live
- 4.6 OS Usage/FranchiCzar
 - 4.6.1 Managing Leads
 - 4.6.2 Lead Profile
 - 4.6.3 Sales Statuses
 - 4.6.4 Default Caller ID
 - 4.6.5 Scheduling Tours
 - 4.6.5a Managing Tours
 - 4.6.6 FranchiCzar Automation
- 4.7 Pre-Operational
 - 4.7.1 Pricing Strategy
 - 4.7.2 Final Inspection
 - 4.7.3 VIP/Soft Opening
 - 4.7.4 Grand Opening
 - 4.7.4a Grand Opening Marketing

(5) Phase 3 Breaking Even(Pages 182-230)

- 5.1 Scheduling A Tour
 - 5.1.1 Qualification Process
 - 5.1.2 Gathering Information
 - 5.1.3 Responding to Information
 - 5.1.4 Sales Binder
- 5.2 Curriculum
 - 5.2.1 Digital Curriculum
 - 5.2.1a Accessing Digital Curriculum
 - 5.2.1b V3 Curriculum
 - 5.2.2 Sensei Guides
- 5.3 Programs
 - 5.3.1 CREATE Program
 - 5.3.2 After School Program
 - 5.3.3 Camps
 - 5.3.4 Birthday Parties
 - 5.3.5 Parent's Night Out
 - 5.3.6 Open House
 - 5.3.7 JR Program
- 5.4 Code Combat
 - 5.4.1 Issuing Code Combat (CoCo) Licenses
 - 5.4.2 Paying for Code Combat Licenses
 - 5.4.3 Assigning CoCo Courses
- 5.5 Belt Certificates
- 5.6 Employee Dojo
 - 5.6.1 Enrolling
 - 5.6.1a Re-Enrolling
 - 5.6.1b Tier Pricing UI
 - 5.6.1c Tier Pricing Program Details
 - 5.6.2 Managing Credit Cards
 - 5.6.2a Changing a CC Associated with a Subscription
 - 5.6.2b Payment Problems
 - 5.6.2c Failed/Missed Payment Report
 - 5.6.3 Managing Licenses & Subscriptions
 - 5.6.3a Canceling a Subscription
 - 5.6.3b Freezing Accounts
 - 5.6.3c Subscription Billing Dates
 - 5.6.4 Student Wristbands
 - 5.6.4a Student Profile
 - 5.6.5 Discounts & Promotions
 - 5.6.5a Gift Certificates
 - 5.6.5b Gift Cards
 - 5.6.6 Ninjas in the Dojo Screen
 - 5.6.7 Dojo Reports
 - 5.6.8 Employee Dojo Dashboard
- 5.7 Student Dojo
 - 5.7.1 Grading

- 5.7.2. Belting a Student Up
- 5.8 The Parent Portal
 - 5.8.1 Center Director's View
 - 5.8.2 Parent View
 - 5.8.2a Parent Dojo Invite & Account Access
 - 5.8.3 Troubleshooting the Parent Portal
- 5.9 Marketing Campaigns
 - 5.9.1 \$89 Promotion
 - 5.9.2 Summer of Code

(6) Phase 4 Profitability(Pages 231-239)

- 6.1 Team Performance
 - 6.1.1 Understanding KPIs
 - 6.1.2 Your Daily Routine
- 6.2 Customer Service
 - 6.2.1 Service Standards (L.E.A.R.N.)
 - 6.2.2 Student Experience (S.A.F.E.)
- 6.3 Feedback
 - 6.3.1 Asking for Feedback
 - 6.3.2 Giving Feedback
 - 6.3.3 Unsolicited Feedback

(7) Phase 5 Multi-Unit (Pages 240 – 245)

- 7.1 Strategy
- 7.2 Scalability
- 7.3 Finances

(8) Frequently Asked Questions (Pages 246-291)

- Corporate Alliance
- Real Estate
- Thrifty Gear
- Marketing Campaigns
- NinjaCon
- Operations
 - Expense Reporting
 - Office 365
 - Stripe
 - Tours
 - What To Do During An Outage
- Dojo
 - Employee Dojo
 - Parent Portal
 - Student Dojo
 - Edit Parent & Child Information
 - Tier Pricing
 - Student Transfers
- Curriculum & Programs
 - CREATE Program

JR Program
Digital Curriculum
V3 Curriculum
Camps

EXHIBIT J
GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is executed on _____
by _____
("Releasor"), _____
("Guarantors"), _____
("Transferee") as a condition of [CHECK ONE]:

_____ (a) the transfer of the Franchise Agreement dated _____ between
Code Ninjas, LLC ("Code Ninjas") and Releasor ("Franchise Agreement");

_____ (b) the transfer of the Area Development Agreement dated _____
between Code Ninjas, LLC ("Code Ninjas") and Releasor ("Development Agreement"); or

_____ (c) the execution of a renewal Franchise Agreement between Releasor and Code
Ninjas. (If this Release is executed under the conditions set forth in (c), all references in this
Release to "Transferee" should be ignored.)

1. **Release by Releasor, Transferee, and Guarantors.** Releasor and Transferee (on behalf of themselves and their parents, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the "**Releasing Parties**") freely and without any influence forever release (i) Code Ninjas, (ii) Code Ninjas' past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and (iii) Code Ninjas' parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities (collectively, the "**Released Parties**"), from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "**Claims**"), which any Releasing Party ever owned or held, now owns or holds, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances and claims arising out of, or relating to, the Code Ninja Center(s), the Franchise Agreement or the Development Agreement (as applicable), and all other agreements between any Releasing Party and Code Ninjas or Code Ninjas' parent, subsidiaries, or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

2. **Risk of Changed Facts.** Releasor, Transferee, and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Releasor, Transferee, and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. **Covenant Not to Sue.** Releasor, Transferee, and Guarantors (on behalf of the Releasing Parties) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court,

agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. **No Prior Assignment and Competency.** Releasor, Transferee, and Guarantors represent and warrant that: (i) the Releasing Parties are the sole owners of all Claims and rights released in Section 1 and that the Releasing Parties have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (ii) each Releasing Party has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of any contract or agreement between them or any court order; and (iii) this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice.

5. **Complete Defense.** Releasor, Transferee, and Guarantors: (i) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. **Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasing Party.

7. **Counterparts.** This Release may be executed in two or more counterparts (including by facsimile), each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

8. **Capitalized Terms.** Any capitalized terms that are not defined in this Release shall have the meaning given them in the Franchise Agreement or Development Agreement (as applicable).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Releasor, Transferee, and Guarantors have executed this Release as of the date shown above.

RELEASOR:

By: _____

Print Name: _____

Title: _____

Date: _____

TRANSEEREE (IF APPLICABLE):

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

EXHIBIT K
FRANCHICZAR AGREEMENT

MASTER SERVICES AGREEMENT

This Master Services Agreement (this “**Agreement**”) is made and entered into as of _____ (the “**Effective Date**”), between FranchiCzar (“**FranchiCzar**”) with a principal place of business at 11200 Broadway Suite 2731, Pearland, Texas 77584 and _____ (“**Franchisee**”), which operates a Code Ninjas® franchised location known as _____ (“**Franchised Location**”).

1. SCOPE OF SERVICES; SET-UP.

- a. FRANCHISEE operates a Code Ninjas® at the Franchised Location pursuant to a Franchise Agreement with Code Ninjas, LLC (“**Franchise Agreement**”). During the term of the Franchise Agreement, FranchiCzar agrees to provide FRANCHISEE with access to the FranchiCzar application and operating system (“**Software**”), and will provide customer payment processing services to FRANCHISEE for the Franchised Location as reasonably required and as customary for service providers of a similar size and situation to FRANCHISEE (the “**Services**”) as outlined on Exhibit A hereto. Such Services shall be provided in accordance with the provisions of this Agreement only for the Franchised Location. No other locations/territories are included in this Agreement.
- b. FranchiCzar hereby grants FRANCHISEE with a non-exclusive, non-transferable license to have access to and use the Software and Services solely in connection with, and within the scope and purpose of, its business relationship with Code Ninjas, LLC at the Franchised Location, pursuant to the terms of this Agreement. FRANCHISEE is prohibited from transferring or sub-licensing this license to any third party and shall not access or use the Software for or on behalf of any third party.
- c. FranchiCzar agrees as part of the Services, to bill and account for all customer payments at the Franchised Location, upon receipt of acceptable customer and account information for each customer. FRANCHISEE hereby allows FranchiCzar to: (i) to receive sales data from FRANCHISEE and tender it to a bank and/or a credit card processor for processing, and remit the net receipts from such amounts on such schedules as FranchiCzar may establish, subject to the terms of the Franchise Agreement; and (ii) in connection with providing the Services under this Agreement, to take any reasonable actions that are reasonably necessary, customarily taken or commercially appropriate. FRANCHISEE is responsible for maintaining all appropriate authorizations and agreements with its customers.
- d. As between FRANCHISEE and FranchiCzar, FranchiCzar owns and reserves all right, title, and interest in and to the Software and the Services. This Agreement does not grant FRANCHISEE any rights in or to the Software or Services except for the limited rights to use the Software and the Services expressly granted by this Agreement. FranchiCzar reserves the right to change the Software or the specifications of the Services at any time, including changing or removing features and/or functionality, and may suspend the Software and Services for repair, maintenance or improvement with or without notice to FRANCHISEE.

2. FRANCHISEE OBLIGATIONS.

- a. FRANCHISEE may not, and may not permit any third party to, use the Software or Services in any manner or for any purpose other than as expressly permitted by this Agreement.
- b. FRANCHISEE may not, or may not attempt to, and may not permit any third party to: (a) modify, alter, tamper with, copy, translate, or otherwise create derivative works of the Software or Services; (b) reverse engineer, disassemble, or decompile the Software or Services or otherwise attempt to derive the source code of any software included in the Software or Services; (c) resell or sublicense the Software or Services; (d) use the Software or Services to develop any software or other technology having the same primary function as the Software or Services; (e) use the Software or Services in a manner that interferes with other users' use of the Software or Services; or (f) use the Software or Services in any manner that violates FranchiCzar's written policies, as provided to FRANCHISEE in advance.
- c. FRANCHISEE's use of the Software and Services is subject to the privacy policies and terms of use adopted by FranchiCzar from time to time, and any other written policy or terms for access to and use of the Software or Services, all of which shall be provided to FRANCHISEE in advance. FRANCHISEE will comply with all applicable laws, rules, and regulations in connection with the use of the Software and Services.
- d. FRANCHISEE IS RESPONSIBLE FOR ALL OF ITS USE AND ACTIVITIES ASSOCIATED WITH OR ARISING FROM ANY USE OF THE SOFTWARE OR THE SERVICES. FRANCHICZAR AND ITS AFFILIATES ARE NOT RESPONSIBLE FOR UNAUTHORIZED ACCESS TO FRANCHISEE'S ACCOUNT UNLESS DUE TO FRANCHICZAR'S GROSS NEGLIGENCE OR WILFULL MISCONDUCT. FRANCHISEE will contact FranchiCzar immediately if it believes an unauthorized third party may be using its account or if its account information is lost or stolen. FRANCHISEE will be deemed to have taken any action that occurs under its account.

3. CUSTOMER DATA AND CONFIDENTIALITY.

- a. FranchiCzar will follow its standard back-up and archiving procedures for any Customer Data (defined below). In the event of any loss or damage to Customer Data, Franchisee's sole and exclusive remedy shall be for FranchiCzar to use reasonable commercial efforts to restore the lost or damaged Customer Data from the latest back-up of such Customer Data maintained by FranchiCzar in accordance with its standard archiving procedure. FranchiCzar shall not be responsible for any loss, destruction, alteration or disclosure of Customer Data caused by any third party.
- b. The parties acknowledge that as the owner of the Code Ninjas franchise system, Code Ninjas, LLC is the owner of all data regarding the customers of the Franchised Location (the "**Customer Data**"). The Services and all of the data and information in the Software and in connection with the Services is the confidential and proprietary information of FranchiCzar and Code Ninjas, LLC, as applicable (the "**Information**"). FRANCHISEE may use the Information and Customer Data only in connection with the use of the Software or Services as permitted under this Agreement. FRANCHISEE will not disclose any Information during or after the term of this Agreement. FRANCHISEE will take all reasonable measures necessary to avoid disclosure, dissemination or unauthorized use of Information and Customer Data. When this Agreement

terminates, FRANCHISEE can no longer use the Information or Customer Data.

- c. FRANCHISEE is a franchisee of Code Ninjas, LLC, and has certain obligations pursuant to the Franchise Agreement. FRANCHISEE understands and agrees that FranchiCzar may share information with Code Ninjas, LLC regarding the Franchised Location and receive instructions from Code Ninjas, LLC to assist FRANCHISEE in complying with the Franchise Agreement, including without limitation, instructions for FranchiCzar to withhold Information from FRANCHISEE and provide it to Code Ninjas, LLC. Franchisee also authorizes FranchiCzar to refund any amounts owed by FRANCHISEE to its customers under the terms of the Franchise Agreement, and to deduct such refunds from remittances owing to FRANCHISEE.

4. FRANCHICZAR CHARGES.

- a. FRANCHISEE shall pay FranchiCzar a fee for Services, in an amount equal to 2.25% of all payments received by Franchisee at the Franchised Location, plus the applicable "Pass-Thru-Fees" on all payments. This fee may be increased by FranchiCzar upon notice to Franchisee; however, during the initial term of the Franchise Agreement, FranchiCzar will not increase the fee for the specific Services described herein as they exist on the date hereof; provided that FranchiCzar reserves the right to increase the fee or assess other fees for additional Services that it may offer to FRANCHISEE in the future. Pass-Thru-Fees shall be the cost of processing credit, debit card, and bank payments for the particular Franchised Location of Franchisee; provided that FranchiCzar may either pay these fees on behalf of all franchisees in the Code Ninjas® system and charge to FRANCHISEE the amount of such fees prorated to the Franchised Location in order to reimburse this cost (plus any charges actually incurred by the Franchised Location), or may spread the total amount of all Pass-Thru-Fees allocated to FRANCHISEE based on the amounts processed by or from the Franchised Location. FRANCHISEE agrees to pay all such applicable Pass-Thru-Fees as may be incurred. All fees will be deducted from the amount collected on behalf of the Franchisee. FranchiCzar will not be responsible for any delay in remittance for any reason.
- b. If, in the commercially reasonable discretion of FranchiCzar, a past due account becomes uncollectible, FRANCHISEE will be responsible for further collection of said account and FranchiCzar shall be released from any further responsibility with respect to such account.
- c. Notwithstanding the foregoing, if any sum payable under this Agreement is not paid within five (5) days after the due date then (without prejudice to its other rights and remedies), FranchiCzar reserves the right to charge interest on such sum on a day to-day basis at the maximum amount allowed by law. Such interest shall be paid on demand.
- d. FRANCHISEE will pay any and all federal, state or local excise, sales or use taxes or similar taxes imposed with respect to all customer payments and fees payable hereunder, or the Services involved hereunder ("Taxes"), and complete and file all required tax reports thereto, all in a timely manner, and hereby agrees to indemnify and hold FranchiCzar, its officers, directors, shareholders, and employees harmless from any loss, including attorneys' fees, resulting from its failure to do so. If FranchiCzar is required to withhold or pay any of the foregoing said Taxes, or if FRANCHISEE ever becomes liable to FranchiCzar for any sums or losses, the amount so paid by FranchiCzar for said Taxes and any sums expended or losses incurred by FranchiCzar for which FRANCHISEE is responsible, will be deducted from all money collected, held or controlled by FranchiCzar under any existing agreements between FRANCHISEE and FranchiCzar, including but not limited to, this Agreement. In the event the amounts are not

satisfied, any remaining amounts owed will be due and payable to FranchiCzar by FRANCHISEE within twenty-four (24) hours upon written notification and request for payment by FranchiCzar.

5. TERM AND TERMINATION.

- a. This Agreement shall commence upon the Effective Date and shall expire upon the expiration or termination of the Franchise Agreement, unless earlier terminated pursuant to the terms of this Agreement. FRANCHISEE operates a Code Ninjas® Center at the Franchised Location pursuant to a Franchise Agreement with Code Ninjas, LLC that expires upon expiration of your Franchise Agreement for this center.
- b. In addition, FranchiCzar may also terminate this Agreement immediately, without notice or liability, if it determines in its sole discretion that: (i) FRANCHISEE has breached any portion of this Agreement or any other agreement it may have with Code Ninjas, LLC and any relevant cure period has expired; (ii) FRANCHISEE's use of or access to the Software or Services inhibits any other user from using or accessing the Software or Services; or (iii) any part or all of the Software or Services will no longer be offered. FranchiCzar may also terminate this Agreement at any time and for any reason by providing FRANCHISEE notice.
- c. FranchiCzar may suspend FRANCHISEE's right to access or use any portion or all of the Software or Services immediately upon notice to FRANCHISEE if it reasonably determines: (a) FRANCHISEE'S use of the Software or Services may subject FranchiCzar, its affiliates, or any third party to liability or may adversely impact the Software or Services; or (b) FRANCHISEE is in breach of this Agreement, the Franchise Agreement or any other agreement it may have with Code Ninjas, LLC. FranchiCzar's right to suspend FRANCHISEE's right to access or use the Software or Services is in addition to its right to terminate this Agreement as outlined herein.
- d. In the event of termination of this Agreement, FranchiCzar will hold all money in escrow for a period of no more than sixty (60) days following such termination. This holding period ensures all customer refunds and returns will be paid and FRANCHISEE hereby authorizes FranchiCzar to make all bona fide customer refunds as may be applicable.

6. WARRANTY. FranchiCzar warrants that (i) it has full power and authority to grant to FRANCHISEE the license to access and use the Software and Services as are granted pursuant to this Agreement and as are required for FRANCHISEE to receive and use the Services as contemplated by this Agreement; and (ii) it shall perform the Services and its other responsibilities under this Agreement in a manner that does not infringe, or constitute an infringement or misappropriation of any third party proprietary rights.

7. WARRANTY DISCLAIMERS; LIMITATION OF LIABILITY.

- a. THE SOFTWARE AND SERVICES ARE PROVIDED "AS IS." FRANCHICZAR, ITS AFFILIATES, SUPPLIERS AND LICENSORS MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE REGARDING THE SERVICES, INCLUDING WITHOUT LIMITATION NO REPRESENTATIONS OR WARRANTIES THAT THE SOFTWARE OR SERVICES ARE SECURE, MEET FRANCHISEE'S REQUIREMENTS, OR ARE FREE FROM ERRORS, VIRUSES, OR OTHER HARMFUL COMPONENTS. EXCEPT TO THE EXTENT PROHIBITED BY LAW, FRANCHICZAR, ITS AFFILIATES, SUPPLIERS AND

LICENSORS DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND ANY WARRANTIES ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.

- b. IN NO EVENT SHALL FRANCHICZAR, ITS AFFILIATES, SUPPLIERS OR LICENSORS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE SOFTWARE, SERVICES OR THIS AGREEMENT, WHETHER BASED ON CONTRACT, TORT, WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF ANY SUCH DAMAGES.
- c. **UNDER NO CIRCUMSTANCES WHATSOEVER SHALL FRANCHICZAR'S, ITS AFFILIATES', SUPPLIERS' OR LICENSORS' AGGREGATE LIABILITY RESULTING FROM OR RELATING TO THIS AGREEMENT OR THE USE OF THE SOFTWARE OR SERVICES EXCEED THE FEES PAYABLE TO FRANCHICZAR HEREUNDER IN THE YEAR PRECEDING THE EVENT CAUSING ANY SUCH LIABILITY.**
- d. UNLESS DUE TO FRANCHISEE'S GROSS NEGLIGENCE OR WILFULL MISCONDUCT, FRANCHISEE, ITS AFFILIATES, SUPPLIERS OR LICENSORS SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE SOFTWARE, SERVICES OR THIS AGREEMENT, WHETHER BASED ON CONTRACT, TORT, WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF ANY SUCH DAMAGES.

Certain United States state laws do not allow limitations on implied warranties or the exclusion or limitation of certain damages. If these laws apply to FRANCHISEE, some or all of the above disclaimers, exclusions, or limitations may not apply.

8. INDEMNIFICATION.

- a. FRANCHISEE will defend, indemnify, and hold harmless FranchiCzar, its affiliates, suppliers and licensors, and each of their respective employees, officers, directors, and representatives from and against any claims, demands, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any third party claim concerning: (a) the use of the Software and Services (including any activities under its account); or (b) the other party's breach of this Agreement or violation of applicable law. FranchiCzar will promptly notify FRANCHISEE of any claim subject to this paragraph, but such failure to promptly notify FRANCHISEE will only affect the indemnifying party's obligations under this paragraph to the extent that such failure prejudices the FRANCHISEE's ability to defend the claim. FRANCHISEE may: (a) use counsel of its own choosing to defend against any claim (subject to FranchiCzar's written consent); and (b) settle the claim with FranchiCzar's prior written consent before entering into any settlement. However, FranchiCzar may also assume control of the defense and settlement of the claim at any time upon written notice to FRANCHISEE.
- b. FranchiCzar indemnifies, defends, and holds Franchisee harmless from and against any claims, actions, or demands alleging that the Software infringes any patent, copyright, or other

intellectual property right of a third party, whether registered or otherwise, unless such claim is related to or resulting from the gross negligence or willful misconduct of FRANCHISEE, or FRANCHISEE'S misuse of the Software in violation of this Agreement or the written policies of FranchiCzar.

- c. The indemnity obligations of the parties set forth in this Section 9 shall survive the expiration or earlier termination of the Agreement.

9. INDEPENDENT CONTRACTOR. FranchiCzar, and any FranchiCzar employees, agents, contractors, and subcontractors, in performance of this Agreement, are acting as independent contractors that are not employed by or under the control or supervision of FRANCHISEE. This Agreement shall not be construed as creating a partnership between the parties or any other form of legal association that would impose liability upon one party for the acts or failure to act of the other party.

10. MISCELLANEOUS. FranchiCzar and FRANCHISEE agree that: (a) this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs, and permitted assigns; (b) FranchiCzar may assign either this Agreement, or any of its rights, interests, or obligations hereunder or thereunder, and FRANCHISEE will not assign this Agreement, or delegate or sublicense any of its rights under this Agreement, without FranchiCzar's prior written consent (and any such assignment or transfer in violation of this provision will be void); (c) this Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Texas, and for the purpose of resolving conflicts related to or arising out of this Agreement, the parties expressly agree and consent to the exclusive jurisdiction of, and venue in, the federal and state courts in the Harris County, State of Texas; (d) that each individual signing below has the authority to enter into this Agreement; (e) that neither party shall have any authority to act on behalf of the other party, unless specifically authorized by such other party in writing; (f) the failure of either party to exercise any rights or insist in any instance upon strict performance by the other party of any provision in this Agreement shall not be deemed a waiver of any rights or a bar to the later exercise thereof under this Agreement; (g) if any provision, or portion thereof, of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions or portions hereof or thereof shall not be affected; (h) each party hereby knowingly and voluntarily waives its respective rights to trial by jury as to any claim, counterclaim, proceeding, cause of action or dispute arising out of or related to this Agreement; (i) in any action brought in law or in equity based on this Agreement, the prevailing party shall have its reasonable costs and attorney's fees paid by the non-prevailing party; (j) this Agreement and any executed by the parties, constitute the full understanding between FRANCHISEE and FranchiCzar with respect to the Software and the Services and supersedes all prior or contemporaneous agreements, whether oral or written, regarding the subject matter of this Agreement; and (k) the provisions of this Agreement, which, by their terms, require performance after the termination of this Agreement, or have application to events that may occur after the termination of this Agreement, shall survive the termination of this Agreement.

11. FORCE MAJEURE. Neither FRANCHISEE nor FranchiCzar shall be liable for its failure to perform hereunder due to contingencies beyond its reasonable control, including but not limited to wars, acts of God, flood, windstorm, explosion, riots, sabotage, terrorism and fire (each a "**Force Majeure Event**"), provided that prompt notice of such delay is given to the other party and there is no "work around" or alternative plan such that the adverse impact of such Force Majeure Event can reasonably be avoided.

12. NOTICES. Any notice or request that is required or permitted under this Agreement shall be in writing and shall be deemed to have been given to FRANCHISEE if addressed to the Franchised Location, and if to FranchiCzar at 11200 Broadway St., Suite 2731, Pearland, Texas 77584, Attention: David Graham, and (a) if mailed by United States Registered or Certified Mail (postage prepaid, return receipt requested), upon receipt or refusal of receipt; or (b) if by a nationally recognized overnight delivery service, on the next business day

after delivery. The parties shall endeavor to provide each other with simultaneous electronic “.pdf” copies of any notice sent hereunder via electronic mail.

IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority, have executed this Agreement as of the date first above written.

FRANCHISEE

FranchiCzar, LLC

Name:

Name:
Bert Sintuphant

Signature:

Signature:

Title:

Title: Chief Operating Officer

Date: _____

Date: _____

Name: _____

Signature:

Title: _____

Date: _____

Name:

Signature:

Title: _____

Date: _____

Exhibit A

Services

- Integration with the Dojos (Database of Record)
- Integration with Code Masters
- Integration with Code:Combat
- Integration with Office 365
- Fundio, payment processing engine - Credit Card Payments integration with Stripe
- Automated payouts
- Reporting on end to end activities
- Integration with LeadPages
- Integration with the public facing website for lead collection

Services reflected are current as of April 15, 2019, but are subject to change.

EXHIBIT L
FINANCING DOCUMENTS

EXHIBIT L-1
GUIDANT FINANCIAL DOCUMENTS



ROBS Agreement

Investing your retirement savings into a small business can be a prudent strategy for achieving your retirement goals. Guidant Financial is dedicated to ensuring that Guidant's Rollovers For Business Start-ups ("ROBS") meets all applicable regulations for a Rollover for Business Start-ups plan. Please review each statement and verify your understanding of the specific actions you must take when utilizing a Rollover for Business Start-ups plan such as Guidant's ROBS.

FIDUCIARY OBLIGATIONS:

To benefit from the tax-deferred advantages of a qualified retirement account, regulations require that you choose investments that are in the best interest of your retirement account.

I verify that I have performed due diligence and believe that my decision to invest my personal retirement funds into the corporation is a good investment in the best interest of my 401(k).

I verify my understanding that I could lose up to 100% of my investment if the business fails.

I have done my own due diligence and have determined that the use of my retirement monies as funding source for ROBS and related business transaction is a prudent use of my retirement monies and is a good investment for the 401(k) Plan.

I understand that Guidant is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with this transaction.

401(k) PLAN RESPONSIBILITIES:

As the trustee of a 401(k) plan, you have a duty to manage the plan so that it benefits *all* employees not just the owners and officers of the Corporation.

I verify that I will use this 401(k) as a long-term savings vehicle for *all* employees of the business and agree that I will encourage all eligible employees to participate.

I verify my understanding that when company stock is offered for purchase within the 401(k) plan, the offering **must** be available for *all* eligible employees.

PERSONAL SALARY/COMPENSATION CONSIDERATIONS:

To avoid any appearance of a conflict-of-interest with your 401(k) investment, you must defer paying yourself compensation until the company becomes an active business.

I verify that I will not draw compensation from the company before being opened for business; the company must be actively engaged in the buying or selling of goods and/or services.

I verify my understanding that my compensation should come from revenue generated from the business and not from the proceeds of the sale of employer stock to the 401(k).

I verify my understanding that taking compensation above what is fair and reasonable for the position and industry can create a prohibited transaction.

CORPORATION & 401(k) FORMATION

Guidant will assist you in establishing your new corporation and a new 401(k) Plan. We will also obtain a Federal Tax ID Number (EIN) from the IRS. The EIN is the unique number the IRS assigns to your business and 401(K) plan and is typically required open a bank account.

Please indicate your consent in allowing us to file the EIN application for your corporation with the IRS on your behalf:

Please indicate your consent in allowing us to file the EIN application for your 401(k) plan with the IRS on your behalf:

TERMS OF AGREEMENT:

I acknowledge that I have read, understand, and agree to be bound by the terms of this Agreement as detailed in the linked Terms of Agreement.¹ These Terms of Agreement are hereby incorporated by reference and, together with the documents executed in connection therewith, constitute the entire agreement between parties. There are no agreements, understandings, restrictions, representations, or warranties other than those set forth or referred to herein unless the parties have entered into an Addendum in writing, signed by the parties, that specifically references this Agreement.

I agree to discuss these requirements – *Fiduciary Obligations, 401(k) Plan Responsibilities, & Personal Salary/Compensation Considerations* – with my Outside Counsel to make an informed decision.

Signature

Date

Printed Name

Beegees Hebert

¹ <https://www.guidantfinancial.com/wp-content/uploads/2017/04/ROBS-Terms-and-Conditions-2017-Update.pdf>



ROBS Agreement

CLIENT INFORMATION

Client Legal Name: Keith Tracy

Client Date of Birth:

Spouse's Name (if applicable):

Spouse's Date of Birth: -- -- --

Client Address:

County:

City:

State:

Zip:

What state do you want the Corporation filed in?²:

SHAREHOLDER INFORMATION

Check if you are a Veteran.

Retirement Funds/Accounts: Please list all parties investing retirement funds that will be used with ROBS.

Account Owner Name	Type	Custodian	Amount	Inherited?
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Non-Retirement Funds: Please list all parties investing personal funds in your new Corporation.

Account Owner Name	Source	Amount
	Guidant Fee/Cash	\$4,995.00

I have confirmed with my custodian that my funds can be transferred and I acknowledge that I am ultimately responsible for ensuring that my funds are eligible for transfer/rollover into the ROBS Plan.

The Internal Revenue Code imposes a limit of one IRA distribution (this does not include rollovers) within a 12-month period that you also put back into the IRA within 60 days. Have you taken a 60-day distribution from an IRA in the last 12-months?

OUTSIDE COUNSEL

Consultations with outside counsel are conducted by telephone. Please indicate who you prefer to have represented by outside counsel³: Only me (single representation).

² In the event you submit your contract and later change the state of investment, additional requirements and fees will apply. Contact Guidant immediately.

³ As provided in Paragraph 10 of the "Terms and Conditions." Client will receive two telephonic consultations, each ranging from 30-60 minutes maximum as determined by outside legal counsel to provide legal advice to Client on issues pertaining to the ROBS structure. If client's spouse/other investor desires to have separate legal counsel (i.e. no joint representation), the legal fees and costs of that separate legal counsel for the spouse/other investor will be the sole responsibility and expense of the Client. Client understands and agrees that GUIDANT will have no responsibility for such additional expenses.



ROBS Agreement

I, Keith Tracy, hereby acknowledge that I have personally filled out the ROBS Agreement, the information therein is accurate to the best of my knowledge, and Guidant is entitled to rely on that information in fulfilling the ROBS.

PROPOSED INVESTMENT: BUSINESS TRANSACTION

- Are you purchasing a franchise?
 - Will you be purchasing an existing business with ROBS?
- If **yes**, please answer the four following questions:
1. This acquisition is an:
 2. Who are you purchasing the existing business from:
 - ❖ If **other**, please specify:
 3. Does this existing business have employees that will remain with the business after you acquire it?
 - ❖ If **yes**, how many existing employees are expected to remain with the business?
 4. Does this existing business have an existing retirement plan of any type?
- ❖ If **yes**, specify the type: _____ If **other**, please specify: _____
- Do you contemplate the ROBS corporation will purchase, lease or otherwise occupy real estate that is owned by you, a family member or any entity in which you or any family member have any ownership?

If **yes**, please explain: _____
 - Do you anticipate the ROBS corporation entering into **any** type of commercial transaction or dealings with you, a family member or any entity in which you or any family member have ownership?

If **yes**, please explain: _____
 - Identify any and all parties (including other entities) involved with your pending business transaction. Include any familial relationships among those parties: _____

"Joint Representation" means that both parties will be considered equally as clients, that both have the same legal interests, and both agree to attend all conferences with Outside Counsel. If you cannot meet those requirements, you must select single representation. With single representation, you may invite your spouse to attend any conference even if the spouse is not a client, with the understanding that you waive confidentiality in order to have the spouse attend. In this case, you both understand that only the represented spouse is entitled to reply on the legal advice.



ROBS Agreement

Do you, your spouse, your children, or other investor(s) currently have ownership interest in any other business entities? (These include sole proprietorships, inactive and shell entities.)

Entity Name	State of Filing	Entity Type	Active?	What does it do?
Your ownership	Spouse's Ownership	List other owners, their relationship to you, and percentage of their ownership:		
# of Employees	# of 1099 Contractors	Will this business interact with the ROBS business in any way?		
Explain:				
Type of Existing Retirement Plan:				

Entity Name	State of Filing	Entity Type	Active?	What does it do?
Your ownership	Spouse's Ownership	List other owners, their relationship to you, and percentage of their ownership:		
# of Employees	# of 1099 Contractors:	Will this business interact with the ROBS business in any way?		
Explain:				
Type of Existing Retirement Plan:				

I understand that ANY interaction or co-commerce between any entity/business I have an ownership interest in and the new corporation that is being set up as part of my ROBS plan may constitute a prohibited transaction. If I decide that the entity or entities in which I have a personal ownership interest will interact with the ROBS corporation in any way, I agree to consult with my account manager and the outside legal counsel referred by Guidant, prior to such interaction. I agree to inform my outside counsel of all facts relating to any such possible interaction. My initials below indicate that all individuals involved in the ROBS structure understand and agree to the above statements.



ROBS Agreement

This Agreement to Provide Services, dated _____, is a contract between Guidant Financial Group, Inc. ("GFG") and Keith Tracy ("Client").

Upon return of a signed and completed copy of this Agreement, subject to the Terms of Agreement, your payment of GFG's Agreed Fee, and the approval of this Agreement by GFG's compliance department, you will have retained GFG to produce documents and to provide services required for the ROBS program, as detailed below:

AGREED FEE: \$4,995.00

- Establishment of one (1) Corporation, including filing fees;⁴
- Establishment of one (1) Profit Sharing 401(k) Pension Plan;⁵
- Assistance in the establishment of corporate bank account;
- Assistance in the establishment of 401(k) bank account;
- Assistance in transfer of funds from current plan administrator to the new 401(k) Plan; • Two telephonic consultations with outside legal counsel;⁶ and
- Lifetime support with GFG Consultant(s).

Please add the optional expedited service to the Agreed Fee for an additional \$499.00. This includes the expedited filing fee (where available), overnight delivery of documents as necessary, and expedited processing priority. This service is not offered for all states - consult your Consultant for details.⁷

Method of payment (select one of the choices below):

I have read, understand and agree to the terms of this agreement as detailed in the linked "Terms of Agreement".⁸

Client Signature

Date

Printed Name

Beegees Hebert

⁴ The default state of filing will be the Client's state of residence, unless otherwise indicated by the client and agreed to by GFG. It is the client's responsibility to notify GFG if client would prefer to file in a state other than client's state of residence. The number of shares and par value authorized for your Corporation will be determined based on GFG's standard practices, unless agreed to otherwise. GFG will pay up to \$500 in filing fees directly associated with the filing of the Articles of Incorporation. Filing fees will be determined by state filing fee requirements and based on GFG's standard filing practices, unless agreed to otherwise. Any filing fees, including fees related to the expedite of such filing, in excess of \$500 are the sole responsibility of the client and such excess fees must be paid by the client to GFG in advance of filing the Articles of Incorporation. GFG cannot guarantee the processing times for filings and will not be held liable for any damages caused by delay from processing a filing.

⁵ In addition to the Agreed Fee, you will have the opportunity to engage GFG for the required plan administration services of your 401(k) Plan. Administration fees begin at \$139 per month. Fees will be paid in accordance with the terms of the Plan Administration Agreement. Additional fees may apply.

⁶ As detailed in Paragraph 10 of the "Terms of Agreement."

⁷ EXPEDITE filings in California will incur an additional charge of \$200 for each entity. This charge will be added to the Agreed Fee.

⁸ Each individual contributing retirement funds to the ROBS is required to sign the agreement.



SBA Consulting Agreement

CLIENT INFORMATION

This Agreement is dated _____, and is between Guidant Financial Group, Inc. ("GFG") and Beegees Hebert ("Client"), wherein GFG agrees to provide services relating to consulting of a Small Business Administration (SBA) loan in exchange for an Agreed Fee of \$2500.00

Method of payment (select one of the choices below):

I choose to pay the agreed fee by credit card ☐ Visa

Cardholders Name _____

Card Billing Address _____

City _____

State _____

Zip Code _____

Card Number: _____

Expiration Month _____

Expiration Year _____

TERMS OF THE AGREEMENT:

1. **WHEN THIS AGREEMENT BECOMES ACCEPTED.** Notwithstanding any dates on this Agreement, this Agreement will be deemed accepted when two conditions have been satisfied: (a) Client returns a completed, signed copy of this Agreement; and (b) Client has paid the Agreed Fee to GFG.
2. **LOAN CONSULTING FEE TO GFG.** GFG will assist the Client by providing consulting services regarding SBA lending options, assist in collecting necessary documents and advising clients on lending options for possible submission of loan applications to a lender and the SBA. As compensation, Client shall pay GFG an Agreed Fee of \$2500.00 upon the execution of this Agreement.
3. **CLIENT'S DUTIES IN CONNECTION WITH THIS AGREEMENT.** Upon acceptance of this Agreement, GFG will assist you in your effort to secure an SBA loan. If GFG is unable to obtain a proposal for an SBA loan from a lender at market rates, GFG agrees to refund its entire Agreed Fee, provided the following conditions have been met by Client:
 - a) All Information Client has submitted before and after signing the Agreement is complete and accurate;
 - b) Client has disclosed all material information (and will provide updates to the material information throughout the process) that would affect the qualification of an SBA loan. Examples of this include, but are not limited to: past felony convictions, judgments, tax liens and/or bankruptcy filings;
 - c) Client has not abandoned the application or directed that it be withdrawn and has exerted Client's good faith best effort to respond to Guidant's requests for information or data in a timely manner;
 - d) Client will follow lender best practices and requirements with respect to the loan submission, including down payment, seller financing, business location selection, business plan and operations; and
 - e) Client has not taken post-submission action to impair Client's credit status by refinancing any of Client's obligations or making major purchases that affect the Client's credit (such as a motor vehicle).

¹ A \$10.00 fee will be automatically assessed on all returned ACH charges. This fee will be assessed each time a charge is returned.



SBA Consulting Agreement

If all of the above conditions are not fully satisfied, GFG may retain the entire \$2500.00 Agreed Fee. Guidant will consult with you throughout the process and you will be given updates of the likelihood of success and how to proceed.

4. **NO REPRESENTATIONS OR WARRANTIES.** Although GFG will make an initial qualification screen of client's SBA submission, Client understands and acknowledges that GFG cannot and does not make representations or warranties as to the likelihood of approval of an SBA loan or any type of loan, or the length of time required for lender approval. GFG has no authority to bind the SBA or any lender. Client acknowledges and agrees that GFG and its GFG's employees have made no representations, promises or warranties to the Client and that Client has not relied on any representation, promise or warranty of GFG or GFG's employees regarding approval and/or obtaining a loan. Should Client fail to get approval of an SBA loan in accordance with Paragraph 2 above, the sole remedy for the Client shall be the refund of the GFG Agreed Fee provided the conditions in Para.3 and this Agreement have been fully satisfied.
5. **NO ATTORNEY-CLIENT RELATIONSHIP WITH GFG OR ITS EMPLOYEES.** GFG is a facilitator, not a law firm. GFG does not provide legal services. No attorney-client relationship exists between Client and GFG, its management, salespersons or GFG's in-house legal counsel. Client is solely responsible for conducting his or her own due diligence as to the appropriateness and suitability of Guidant's services for Client's particular circumstances. Any legal or tax issues that Client may have must be resolved by Client's own attorney or tax advisor.
6. **RIGHT OF RESCISSION.** You have a right to rescind this contract for seven (7) calendar days from the date the contract has taken effect. If Client exercises his or her right of rescission within the seven day period, any out-of-pocket fees or expenses that were incurred prior to the notice of rescission to GFG will be deducted from the refund amount.
7. **BINDING ARBITRATION AND VENUE.** All claims or controversies between Client and GFG arising out of this Agreement or its performance shall be submitted to binding arbitration under the rules of the American Arbitration Association (unless the parties agree to another arbitration forum). Such binding arbitration shall be the exclusive remedy of the complaining party. The exclusive venue and jurisdiction for any such arbitration proceeding and judicial enforcement thereof shall be in King County, Washington, governed by Washington law.
8. **ENTIRE AGREEMENT.** This Agreement and the documents executed or delivered in connection therewith constitute the entire understanding and agreement between the parties. There are no agreements, understandings, restrictions, representations, or warranties other than those set forth or referred to herein unless the parties have entered into an Addendum in writing, signed by both parties, that specifically references this Agreement.

I have read, understand and agree to the Terms of this Agreement

Client Signature

Date

Beegees Hebert

Printed Name

EXHIBIT L-2
BENETRENDS DOCUMENTS

Engagement Agreement

The undersigned hereby retains Benetrends, Inc. ("Benetrends") as a consultant and authorizes Benetrends to provide services (as indicated in the attached Benetrends Fee schedule necessary for the orderly administration of the undersigned employee retirement plan(s)). The undersigned agrees that services provided by Benetrends will be subject to the review and approval of the undersigned, the Plan Administrator (as defined in the appropriate Plan Documents) or their designated representatives and authorizes Benetrends to consult with the undersigned's financial advisor, accountant and/or attorney, as required.

_____ The undersigned acknowledges that he has read and agrees to conform to the terms and conditions of this Agreement and the Fee and Service Disclosure, which is subject to change. The Fee Schedule may be modified by Benetrends by providing a new Fee Schedule to the undersigned which will be effective 30 days after such date. In the event of a delinquency in payment of more than 30 days from the date billed, Benetrends' services will be suspended, and no administration, however urgent, will be performed until such time as payment for delinquent fees has been received by Benetrends.

_____ The undersigned acknowledges that he has read and agrees to the following terms of engagement:

- ▶ The undersigned understands that, in most cases, an employee will be required to terminate employment with a prior employer to access their retirement funds so that they can be rolled into the Retirement Plan (Plan) that you have authorized Benetrends to set up.
- ▶ All employees must be allowed to roll money into the Plan and must be given the same investment options.
- ▶ The undersigned must contribute to the Plan as soon as possible in order to comply with applicable IRS, DOL and ERISA rules and regulations. Benetrends recommends that the undersigned make a minimum contribution as soon as possible to all eligible employees no later than the third year after the creation of the Plan. A substantial contribution is generally seen as at least one percent (1%) of an eligible employee's annual salary.
- ▶ An employee's account balances in the Plan vests at the rate designated in the Plan's Adoption Agreement.
- ▶ Benetrends assumes no liability or responsibility if the Plan is serviced by another Third Party Administrator or Record-keeper.
- ▶ No investment of any money from the Plan into employer stock may be made more than 90 days after the initial investment in employer stock without an independent business appraisal. You must contact your Benetrends Retirement Plan Analyst for specific instructions before making an additional investment in employer stock.
- ▶ The undersigned acknowledges that, as a "C" Corporation, the entity cannot be an investment company and must be engaged in an active business that provides a service or product to one or more customers.
- ▶ The undersigned may not make an election to be taxed as an "S" Corporation while the Plan holds Qualifying Employer Stock as an asset. The sponsoring company must be set up and maintained as a "C" Corporation.

Benetrends assumes no liability for any penalties, adverse tax consequences or additional costs that may be charged, assessed or incurred because of the non-timely filing of required government reports, applications or other documents, or if the undersigned is delinquent in providing information requested by Benetrends. Benetrends does not assume, and will not bear, any responsibility or liability for any actions taken (or omitted to be taken) by the undersigned's prior plan consultant, actuary, contract or named administrator.

This Engagement Agreement, together with Our Rainmaker™ Guarantee, contains our entire understanding and agreement and supersedes all prior agreements and understandings, express or implied, oral or written. This Engagement Agreement will be governed by the laws of the Commonwealth of Pennsylvania and may not be changed or modified except by a written document signed by both Benetrends and the undersigned.

Disputes: Any and all disputes that may arise out of or relate to this Agreement, other agreements or any other relationship involving Client and Benetrends (whether occurring prior to, as part of, or after the signing of this Agreement), shall first be resolved by good faith negotiations between the parties with the assistance of nonbinding mediation. In the event either party determines that they are not able to resolve the dispute through negotiation and mediation, then the dispute shall be submitted to, and resolved by, final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Negotiation, mediation and arbitration shall be the exclusive means of dispute resolution as between Client and Benetrends and their respective agents, employees, officers and members. Arbitration shall be before a single arbitrator in the County of Montgomery, Pennsylvania. The Arbitrator shall apply Pennsylvania substantive law. Any party may bring an action in any court of competent jurisdiction, if necessary: (i) to compel arbitration under this arbitration provision, or (ii) to obtain preliminary relief in support of claims to be prosecuted in arbitration, or (iii) to enter a judgment of any award rendered pursuant to such arbitration.

_____ I understand the fee for the ongoing administration of the Plan begins 30 days from the agreed to and executed date below. I also understand that Benetrends may not increase the fees during my first 12 monthly administration payments but may increase its fees thereafter by giving me notice of the increase at least thirty (30) days prior to my next monthly administration payment.

Client
Agreed to & executed on (date): _____

Name: _____

Signature: _____

Benetrends
Accepted on (date) _____

Name: Cheryl Fischer

Signature: *Cheryl Fischer*

EXHIBIT M

STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	August 13, 2020, as amended []
Illinois	April 29, 2020, as amended August 5, 2020 and October 21, 2020
Indiana	June 12, 2020, as amended August 3, 2020 and []
Maryland	May 29, 2020, as amended []
Michigan	April 29, 2020, as amended August 3, 2020 and October 19, 2020
Minnesota	June 17, 2020, as amended November 5, 2020
New York	Pending
North Dakota	July 9, 2020, as amended August 24, 2020 and November 3, 2020
Rhode Island	April 29, 2020, as amended August 3, 2020 and October 29, 2020
South Dakota	May 6, 2020, as amended August 3, 2020 and []
Virginia	May 19, 2020, as amended August 19, 2020 and November 5, 2020
Washington	July 23, 2020, as amended []

Wisconsin	April 29, 2020, as amended August 3, 2020 and October 30, 2020
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Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

If we offer you a franchise, we 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 law requires us to provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a franchise or other agreement with, or make payment of any consideration to, us or one of our affiliates in connection with the proposed sale. Michigan requires that we provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, us or one of our affiliates in connection with the proposed sale.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is as follows: Justin Nihiser, Marty Flanagan, Jeff Thames, and Mike Rodrigues, Code Ninjas, LLC, 11200 Broadway Street, Suite 2731, Pearland, Texas 77584, (855) 446-4652; and

The issuance date of this Disclosure Document is: April 29, 2020, as amended August 3, 2020 and October 19, 2020.

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated April 29, 2020, as amended August 3, 2020 and October 19, 2020 that included the following Exhibits:

Exhibit A – State Administrators/Agents for Service of Process	Exhibit G – List of Franchisees and Area Developers Who Have Left the System
Exhibit B – State Specific Addendum	Exhibit H – Financial Statements
Exhibit C – Franchise Agreement	Exhibit I – Table of Contents to Confidential Operations Manuals
Exhibit D – Area Development Agreement	Exhibit J – General Release
Exhibit E – Non-Use and Non-Disclosure Agreement	Exhibit K – FranchiCzar Agreement
Exhibit F – List of Franchisees and Area Developers	Exhibit L – Financing Documents
	Exhibit M – State Effective Dates

Date

Prospective Franchisee

Printed Name

PLEASE KEEP THIS COPY FOR YOUR RECORDS.

RECEIPT

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Exhibit L – Financing Documents

Exhibit M – State Effective Dates

Date

Prospective Franchisee

Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, DATE YOUR SIGNATURE, AND RETURN IT TO MARTY FLANAGAN, CODE NINJAS, LLC, 11200 BROADWAY STREET, SUITE 2731, PEARLAND, TEXAS 77584.