FRANCHISE DISCLOSURE DOCUMENT

EAGER ENRICHMENT®

Eager Enrichment, Inc.
an Ohio corporation
29677 Washington Way
Westlake OH 44145
800-231-7519
Email: franchise@eagerenrichment.com
www.eagerenrichment.com

Eager Enrichment, Inc. offers franchises that provide personal enrichment instruction and products to children and adults in various areas of study, including engineering, art and sewing.

The total investment necessary to begin operation of a single franchise ranges from $62,850 - $110,300 for each franchise purchased. This includes the Initial Franchise Fee typically ranging from $27,500-$40,000, which must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Mr. Darren Wilson at franchise@eagerenrichment.com.

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

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

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

Issuance Date: April 7, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Eager Enrichment 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 Eager Enrichment franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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 requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Ohio. 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 Ohio than in your own state.

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 APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

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

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

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

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

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

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Michigan law requires that a franchisor whose most recent financial statements are unaudited and which show a net worth of less than $100,000.00 shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor 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.

Should the prospective franchisee have any questions regarding the notice of this filing with the attorney general, such questions should be addressed to the Department of Attorney General, Consumer Protection Division, Antitrust and Franchise Section, P.O. Box 30213, Lansing, MI 48909. (517) 373-7117.

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EXHIBITS

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is Eager Enrichment, Inc. For ease of reference in this Disclosure Document, Eager Enrichment, Inc. will be referred to as "Eager Enrichment," "we," or "us." "You" means the franchisee, person, or legal business entity (including a corporation, partnership, limited liability company, or other legal entity (collectively, "legal entity") and its owners, officers, and directors, that is buying the franchise.

We are an Ohio corporation formed on January 26, 2022. We began offering Eager Enrichment franchises in August 2024. Our principal business address is 29677 Washington Way, Westlake, Ohio 44145. We operate under our corporate name, Eager Enrichment, Inc., the names "Eager Enrichment," "Eager Engineers," "Eager Artists," "Eager Sewing" and "Art, Wine & Friends", and no other names. See Exhibit A for our agents for service of process.

We offer and sell the Eager Enrichment franchises described in this Disclosure Document, and have not conducted any other types of business. We have not offered, nor do we currently offer, franchises in any other line of business.

Our Predecessors, Parents and Affiliates

Our Affiliate, Active Time LLC is an Ohio limited liability company that is under common ownership and management with us. Active Time LLC's principal business address is 29677 Washington Way, Westlake, Ohio 44145. Until March 1, 2023, Active Time LLC operated a business similar to the Eager Enrichment franchises, using certain of the Marks, in the Cleveland, OH area (since 2014) and the Columbus, OH area (since 2017). As of March 1, 2023, Active Time LLC converted that business into an Eager Enrichment franchise. Because of the common ownership and management, we consider this business to be a company-owned Franchise that is operated by us.

Active Time LLC has not offered or sold, and does not currently offer or sell, the Eager Enrichment franchises described in this Disclosure Document or franchises in any other line of business, but reserves the right to do so in the future. You will not conduct business with Active Time LLC.

We do not have a parent company or any predecessors, and we do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

The Business

We grant to each franchisee a license to use our names, marks, and systems to provide instruction and products to children and adults through a uniform system that includes distinctive operating procedures, methods, high standards of service, use of quality materials, and the business format that we created and developed (the “System”). The Eager Enrichment System provides curriculum in four different categories of activities, as follows:

Eager Engineers: Project-based programs designed to teach principles and methods of engineering to children, ages 5-13, using LEGO® bricks, K’NEX® engineering pieces, and City Blocks®, and/or other third-party manufactured products we may specify from time to time. You will offer these programs in elementary and middle schools, recreation centers, day-care facilities, camps (during school holidays and summer vacation), birthday parties, special events, virtual online classes and to home-schooled children.

Eager Artists: Project-based programs designed to teach problem solving through art to children, ages 4-13, using artist quality materials. You will offer these programs in elementary and middle schools, recreation centers, day-care facilities, camps (during school holidays and summer vacation), birthday parties, special events, virtual online classes and to home-schooled children.

Eager Sewing: Project-based programs designed to introduce people aged 9 to 99 to the basics of hand sewing. You will offer these programs in elementary and middle schools, recreation centers, day-care facilities, camps (during school holidays and summer vacation), birthday parties, special events, virtual online classes and to groups of adults and home-schooled children.

Art, Wine & Friends: Project-based events designed to allow adults age 21+ to express their creativity in a social sitting with wine, using artist quality materials. You will offer these events to corporations, clubs, and groups of adults using third party facilities with whom you will contract.

Eager Enrichment franchises can succeed in both urban and suburban areas, and do not require a brick and mortar location because the services are provided in third party facilities. In the future, we may also arrange for you to have the opportunity to conduct classes at additional types of venues different than those stated above, or via internet-based platforms.

The following trademarks are owned and controlled by third parties and not by us: LEGO®, K’NEX®, and City Blocks®.

The Franchises Offered

We currently offer one type of franchise: Eager Enrichment franchises. We have offered these franchises since August 2024. We franchise the right to operate a single Franchise that must only provide its services within a designated geographic area (the “Protected Territory”) under the “Eager Enrichment” name and other authorized names and marks (the "Marks"), using the System. You will sign our standard franchise agreement attached as Exhibit B (the “Franchise Agreement”) when you purchase your Franchise. Eager Enrichment, Inc. will be the contracting party under the Franchise Agreement.

The Market and Competition

Your Eager Enrichment Franchise must operate from a location that we approve (usually a home office) and according to our standards, specifications, operating procedures, and rules (the "System Standards"). While you will provide your products and services to the general public, your target market will be primarily parents, schools for pre-kindergarten through age 13, pre-schools, churches, day care facilities, recreational facilities, summer camps, scouting organizations, and other non-educational institutions involving children. The Eager Sewing and the Art, Wine and Friends programs are also offered to adults.

The market for the services and products offered by an Eager Enrichment Franchise is extremely competitive and you will be competing with franchised and independently-owned businesses, non-profit organizations, churches and schools that offer a wide variety of children's education, enrichment and entertainment-based programs, birthday parties, events and camps. Various factors can adversely affect your Franchised Business, including increased competition, increases in labor and energy costs, availability and cost of suitable sites, fluctuating insurance and interest rates, local, state and federal regulations and licensing requirements, and the availability of an adequate number of employees and, in some cases, employees with specialized training.

Industry-Specific Laws and Regulations

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Eager Enrichment franchise, including those that (1) establish licensing and certification requirements for businesses in general, (2) establish licensing and certification requirements for instruction of minors, (3) regulate matters affecting the health, safety and welfare of children and other participants in your programs; (4) set standards pertaining to employee health and safety, and (5) set standards and requirements for fire safety and general emergency preparedness. Many states require that you and/or your instructors be registered, approved or otherwise cleared to offer after-school classes in a public school system. These requirements may include completing specific forms, submitting to criminal and background checks, being fingerprinted, obligations to report evidence of child abuse and neglect, privacy laws, and other requirements that you may be required to satisfy before offering and providing classes within a local school system or another organization or facility.

You must also comply with all other local, state, and federal laws that apply to your operations, including EEOC, OSHA, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and other discrimination, employment, and sexual harassment laws. It is possible that announced or future changes to the policies and operations of the federal Department of Education may affect the ability of schools to provide after-school space for our programs, but the scope and effect of any changes are currently unknown.

You must comply with Payment Card Industry Data Security Standards ("PCI-DSS") and applicable state and federal laws regulating the privacy and security of sensitive consumer and employee information in connection with the operation of your Franchise. PCI-DSS standards apply to both technical and operational aspects of credit card and other payment card transactions and apply to all organizations which store, process or transmit cardholder data.

You are solely responsible for investigating the license/permit requirements in your state - you should investigate these laws and consult with a local legal advisor about whether these and/or other requirements apply to your franchise. Violations of these laws and regulations may result in substantial civil or criminal penalties for individuals or entities.

Item 2

BUSINESS EXPERIENCE

Cheryl McNeill – Chief Executive Officer

From January 2022 to the present, Ms. McNeill has been the Chief Executive Officer and member of the Board of Directors of Eager Enrichment, Inc. From January 2014 to the present, Ms. McNeill has been the co-owner of Active Time LLC, a personal enrichment business for children ages 4-13 and adults.

Darren Wilson-Chief Financial Officer

From January 2022 to the present, Mr. Wilson has been the Chief Financial Officer and member of the Board of Directors of Eager Enrichment, Inc. From January 2014 to the present, Mr. Wilson has been the co-owner of Active Time LLC, a personal enrichment business for children ages 4-13 and adults. From February 2016 to the present, Mr. Wilson has been the Chief Financial Officer of the Greater Cleveland Community Credit Union in Cleveland, Ohio.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

You must pay us an "Initial Franchise Fee" that has two parts. Part 1 is the Franchise Curriculum Fee, which is fixed at $25,000.00 for each Franchise. Part 2 is the Protected Territory Fee, which is equal to $0.25 per household located in the zip code of where your business is physically located, which for a typically-sized Protected Territory will range from $2,500 to

$15,000. This means that the total Initial Franchise Fee will typically be approximately $27,500 to $40,000. (See Item 12 for additional details on Protected Territory). The number of households in a zip code is based on the most recent U.S. Census Bureau data available at the time you sign the Franchise Agreement.

The Initial Franchise Fee does not include the fee to purchase any optional programs that may become available for your franchise. The Initial Franchise Fee is fully earned by us when paid, and is not refundable in whole or in part under any circumstances.

Item 6

OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty Fee	8.0% of monthly gross revenues(2), subject to a minimum monthly Royalty Fee calculated as follows: a. < 30,000 households purchased is $600.00/per month. b. 30,000-90,000 households purchased is $500.00/per month. c. > 90,000 households purchased is $850.00/per month.	First payment is due one month from the end of initial training. Payments are due by the third day of each month and are considered late if not received by us by the tenth day of each month. (3)	Based on gross revenues during the previous month.

Type of Fee (1)	**Amount**	**Due Date**	**Remarks**
Non-Reporting Fees	120% of the last Royalty Fee incurred.	When Royalty Fees are payable by you.	Payable if you do not report your gross revenues. If the amount of Royalty Fee we charge is less than the actual amount you owe us, we will charge you the additional amount on the day we specify. If the amount of Royalty Fee we charge is greater than the actual amount you owe us, we will credit the excess amount against any amounts you owe us.
Initial Training Fee	No charge for the first 2 attendees at the initial training program. There is a $3,500 training fee for each additional attendee.	Upon signing the Franchise Agreement.	See Item 11 for a description of the initial training program.
On-Site Additional Training or Site/Territory Evaluation Fee	Currently $250 per day plus travel and living expenses for the trainer/evaluator(s).	15 days after billing	This fee is optional and is only incurred if you request us to train you at your location or to travel to your location to evaluate your Protected Territory or a proposed office site. This fee may increase in the future to reflect increases in our costs.
Technology Fee	Up to $199 per month, but currently there is no Technology Fee.	15 days after billing	For website design, maintenance, hosting, and search engine optimization and certain technology-related administrative expenses. See Item 8 for additional information.

Type of Fee (1)	Amount	Due Date	Remarks
Additional Protected Territory Fee	See Item 12	Upon agreement between us	Payable only if you and we agree to allocate additional contiguous Protected Territory zip codes to you after the Franchise Agreement is signed.
Audit Expenses	Cost of audit and inspection, plus any reasonable accounting and legal expenses	On demand	Payable only if Royalty Fee is understated by 2% or more, or if you fail to submit required reports or financial statements.
NSF, Stop Payment or Returned Check Fee	Actual bank fee assessed against us, plus $35.	As incurred	Due each time your account does not have the requisite funds available to pay us, or a stop payment instruction has been issued with respect to your account, or a check you write to us is dishonored.
Product and Service Purchases	See Item 8	See Item 8	Payable for products and services you purchase from us and/or our affiliates (see Item 8). These fees include the on-line customer registration services described in footnote 2 to Item 7 below.
Supplier and Product Evaluation Fee	Cost of inspection and test of product sample	On demand	Payable if we inspect or test product samples from any proposed supplier requested by you (see Item 8).
Insurance	Amount of unpaid premiums and related costs	On demand	Payable if you fail to maintain required insurance coverage and we obtain coverage for you.
Replacement of Operations Manual	Actual replacement cost plus shipping if necessary.	As incurred	Payable if your copy of the Operations Manual is lost, destroyed, or significantly damaged.
Renewal Fee	$5,000	Upon renewal	Payable upon signing the renewal Franchise Agreement.

Type of Fee (1)	**Amount**	**Due Date**	**Remarks**
Transfer Fee	$5,000	When you submit a proposed Transfer for our consideration	Applies to any requested transfer of the Franchise Agreement, the franchise, or a controlling interest in the franchise. (See Exhibit G).
Legal Costs and Attorney's Fees	All legal costs and attorneys' fees incurred by us	As incurred	Payable if we must enforce the Franchise Agreement, or defend our actions related to, or against your breach of, the Franchise Agreement.
Indemnification	All amounts (including attorneys' fees) incurred by us or otherwise required to be paid	As incurred	Payable to indemnify us, our affiliates, and our and their respective owners, officers, directors, employees, agents, successors, and assigns against all claims, liabilities, costs, and expenses, including legal fees, whether asserted by third parties or us, related to your acts, omissions, ownership and operation of your franchise.
Electronic or Hard Copies of Marketing Materials	All costs and expenses we incur	As incurred	There may be a charge for electronic or hard copies of marketing materials in order to reimburse us for creative costs and expenses.
De-Identification	All costs and expenses we incur	As incurred	Payable if we take action to de-identify the Franchise upon its termination or expiration.
Online Customer Registration Service	$600-$800 per month	As incurred	The amount stated here reflects the initial monthly payment that must be made with respect to our required customer registration system prior to commencing operations. This fee is paid directly to us on a monthly basis. See Item 7.

Type of Fee (1)	**Amount**	**Due Date**	**Remarks**
Termination Fee	Liquidated damages equal to your average monthly Royalty Fee, multiplied by lesser of (i) 36 or (ii) the number of months remaining in your franchise term.	On demand	If you or we terminate your franchise before your franchise term expires, unless such termination is made by you for our default in accordance with the provisions of the Franchise Agreement. (4)

Explanatory Notes:

(1) This table and the accompanying notes describe the nature and amount of all other payments that you must pay to us or our affiliates or that we or our affiliates collect on behalf of third parties, on a recurring basis, whether on a regular periodic basis or as infrequent anticipated expenses, in carrying on your Eager Enrichment Franchise. Except for the variable Initial Franchise Fee or as otherwise noted in this FDD, all fees are uniform, and are imposed by, collected by, and payable to us. All fees are non-refundable unless otherwise expressly noted.

(2) "Gross revenues" means the total of all revenue and receipts derived from the operation of the franchise, including all amounts received through or relating to the business the Franchise conducts; and excludes only sales taxes collected from clients and paid to the appropriate taxing authority, and all client refunds and credits the franchise actually makes. Non-payment of collected sales taxes to the appropriate taxing authority is considered a violation of your franchise agreement.

(3) You must pay all amounts due by automatic debit, but we have the right to require you to pay all amounts due us or our affiliates by ACH or other electronic transfer, company check, certified or cashier's check or wire transfer. (see Exhibit 5 to Franchise Agreement). You must make sufficient funds available for withdrawal from your account before each due date; if you do not, you will be in default of the Franchise Agreement and you will be charged the NSF/Stop Payment Fee.

(4) You must pay the termination fee, plus any costs and attorneys' fees incurred by us, if you improperly attempt to terminate or close your Franchise before your term expires, or we terminate your Franchise Agreement for any reason set forth in the Franchise Agreement. Termination fees may be unenforceable in certain states. See Item 17 for additional information.

Item 7

ESTIMATED INITIAL INVESTMENT

	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (1)	$27,500-$40,000	Lump sum, unless otherwise agreed	When you sign the Franchise Agreement	Us
Website Set-up Fee	$250-$500	Lump sum, unless otherwise agreed	Before opening	Approved supplier
Online Customer Registration Service (2)	$600-$800	Lump sum on a monthly basis	Prior to accepting customer registrations	Us.
Computers; Accounting System, printer/scanner and other designated software or hardware	$2,500-$5,500	As agreed	Before opening	Suppliers and approved vendors
Business Licenses, Clearances and Permits; Professional Fees	$3,000-$3,500	As required	Before opening	Governmental agencies; legal/accounting professionals
Initial Inventory of Teaching and Art Supplies (3)	$7,000-$13,000 per instructor	As agreed	Before opening	Approved vendors or us (see Item 8)
Insurance (4)	$2,000-$5,000	As agreed	Before opening	Insurer
Initial Training Expenses for two people (5)	$6,000-$13,000	As incurred	As incurred	Third parties
Telecomunica-tions Services (6)	$1,000-$3,000	As agreed	As incurred	Telephone/internet company
Opening Advertising and Promotion (7)	$3,000-$6,000	As agreed	Up to 1 month after opening	See note 13
Additional Funds–3 months (8)	$10,000-$20,000	As agreed	As incurred	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT (9)	**$62,850 - $110,300**			

Explanatory Notes:

* The preceding chart and accompanying notes describe the estimated total initial investment expenses to obtain and commence business for a single Eager Enrichment Franchise. These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating a single Eager Enrichment Franchise. Our estimates are based on the experience with our affiliates in operating businesses using the Eager Enrichment System, and our current requirements for Franchises. The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Eager Enrichment Franchise may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions. There is no requirement that you have an office or other brick and mortar location, so there is no expense included in the above estimates for leased or other office space, or for furniture and fixtures associated with a physical office. It is anticipated that you will operate the business from your home.

(1) The amounts stated here are applicable for the purchase of your first franchise and a size range for a typical Protected Territory. See Item 5 and Item 12 for additional information about your Initial Franchise Fee, which will vary depending on the size of your Protected Territory.

(2) The amount stated here reflects the initial monthly payment that must be made with respect to our required customer registration system prior to commencing operations. This fee is paid directly to us on a monthly basis and consists of (i) a base monthly fee of $541.67 that we then pay to the third-party vendor, (ii) a monthly administration fee of $58.33 payable to us, and (iii) for the high end of the range, a representative estimate of exceedance fees charged by the third-party vendor for optional services you may elect to purchase, in the range of $0.00 to $200.00 per month, that we then pay to the third-party vendor. Costs for subsequent months are included in the items described in footnote 8 below.

(3) This estimate includes educational materials and supplies, as well as any cleaning and sanitizer supplies or required personal protective equipment for instructors. We will provide you with our proprietary curriculum and certain instructional materials without additional charge, but you will also be required to purchase certain additional materials and supplies. Some of the supplies are imported and may be subject to price increases due to import tariffs, resulting in costs for such supplies moving towards the higher end of the range provided.

(4) You must obtain and maintain, at your own expense, the insurance coverage that we periodically require (including but not limited to comprehensive commercial general liability and motor vehicle insurance, worker's compensation and employer's liability insurance and any other insurance required by applicable law, rule, regulation, ordinance, or licensing requirement), and satisfy other insurance-related obligations. You must buy insurance only from carriers in good standing in the state where your Franchise is located.

(5) This estimate includes the travel and living expenses, including airfare, that you will incur when you and your employees attend the initial training program for Franchises described in Item 11. It does not include any wages or salary for you or your employees during this training. If more than two people attend the initial training program, you will pay us a fee of $3,500 for each additional attendee, plus you may incur additional travel and living expenses.

(6) This estimate includes the security deposits and service fees for your telecommunications system, including a dedicated business mobile phone or landline and internet service. See Item 8.

(7) This estimate includes promotional items such as brochures, other informational and promotional literature, posters, business cards and other marketing or publicity items. See Items 8 and 11 for our advertising-related requirements.

(8) This estimate includes your initial start-up expenses (other than the items identified separately in the table) during the Franchise's first 3 months of operation. This 3-month period is not intended, and should not be interpreted, to identify a point at which your business will achieve break-even cash flow. These expenses do not include any draw or salary for you or any payroll expenses for employees. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your actual costs for initial start-up expenses during this 3-month period will depend on how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products; the prevailing wage rate; your competition; and the sales level you reach during the initial period.

(9) You should review these figures with a business advisor before making any decision to purchase the franchise.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchase Specifications and Requirements

You must lease or purchase your Franchise's business application and anti-virus software, customer registration service, insurance, payroll processing service, credit card processing service, teaching and art supplies, clothing, advertising and marketing materials and services, training, programs and other items and services under our specifications as set forth in our Operations Manual for Franchises. These specifications include standards for appearance, delivery, performance, quality control, and/or design.

You are required to maintain a separate cloud-based business telephone system with our required vendor. We will provide you with all necessary business email addresses and website pages. You are prohibited from creating and maintaining your own business email addresses, websites or social media accounts for your Franchise without our prior consent, which may be withheld for any reason. We also require you to maintain dedicated high speed internet services for communications and for remote access and information retrieval by us, as we may specify from time to time in the Operations Manual or otherwise in writing. We do not specify a specific internet supplier.

We may contract with third parties to provide, or provide ourselves, certain web site design, maintenance, hosting, and search engine optimization for our franchises, for which we may incur technology-related out-of-pocket and administrative expenses. You will be required to use all such services. We may in the future charge you a "Technology Fee" to compensate us for services we provide (directly or through third parties) and expenditures we incur with respect to such items including, without limitation, the System website and/or your Franchise's specific webpages, and the required computer systems and software. The amount you pay us may be less or more than the amount we pay to the third-party providers and may be used to offset internal costs related to the stated purposes of this fee.

We estimate that your total expenditures in leasing or purchasing software, customer registration service, insurance, teaching and art supplies, clothing, advertising and marketing materials and services, training, programs and other items and services from our approved suppliers will represent approximately 40% of your total purchases in establishing and operating the business. Virtually all of the goods and services that you must lease or purchase in establishing and operating your franchise must comply with our standards and specifications.

Issuance and Modification of our Specifications

Our Operations Manual sets forth our specifications, standards, and guidelines for all goods and services that you are required to obtain in establishing and operating your franchise, and additional guidelines and requirements for operating your franchise (including any optional programs). We will make available new or modified specifications, standards, and guidelines to you through periodic amendments or supplements to the Operations Manual or other written materials. See Item 11 for additional information about our Operations Manual.

We will make available written copies of our standards and specifications to you and approved and proposed suppliers unless these standards and specifications contain our confidential information (see Item 14).

Insurance

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You must purchase (1) comprehensive commercial general liability and motor vehicle liability insurance containing minimum liability coverage of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate, (2) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by law, and (3) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements. Deductibles must be in reasonable amounts and are subject to review and written approval by us. Your commercial general liability insurance policy must be an "occurrence" policy. If any policy is written on a "Claims Made" basis, you must purchase and maintain unlimited tail coverage that shall remain in effect following the termination or expiration of the Franchise Agreement and/or such policy. All commercial general liability insurance policies you purchase must name us (and, if we so request, our members, directors, employees, agents, and affiliates) as additional insureds. If you fail to obtain or maintain the insurance we specify, we may (but need not) obtain the insurance for you and the Franchise on your behalf (see Item 6). You should consult with your own insurance agents, brokers, and attorneys to determine what types of coverages and what level of insurance protection you may need or desire, in addition to the coverages and minimum limits specified by us. The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment histories.

Approved Products and Services Offered by your Franchise

We have developed standards and specifications for the curricula, methods and materials used by your Franchise to provide services to its customers. We have approved, and will continue to periodically approve, specifications and/or suppliers and distributors of the above items, services and products, which may include us or our affiliates, that meet our standards and requirements. These specifications include standards and requirements relating to educational quality, prices, consistency, reliability and other factors we deem relevant. You may only (1) sell such services and products that we designate; (2) use those instructional formats and methods that we prescribe; and (3) purchase all products, services and other materials only from distributors and other suppliers we have approved.

We may approve a single distributor or other supplier (collectively, "supplier") for any product or service, and may approve a supplier only as to certain products or services. We may concentrate purchases with one or more suppliers to obtain lower prices or the best advertising support or services for any group of Franchises franchised or operated by us. Our approval of a supplier may be temporary, pending our continued evaluation of the supplier. Some of the supplies are imported and may be subject to price increases due to import tariffs. We attempt to negotiate favorable pricing and terms for you from our approved suppliers.

If you would like to purchase or lease any items from any unapproved supplier, then you must submit to us a written request for approval of the proposed supplier or the proposed supplier may submit its own request. We may inspect the proposed supplier's operations, and require that product samples from the proposed supplier be delivered for evaluation either directly to us or any third party we designate. We also may require you (or the proposed supplier requesting the evaluation) to pay us an evaluation fee (not to exceed the reasonable cost of the inspection and the actual cost of the test (see Item 6) to make the evaluation. We will approve or disapprove your proposed supplier within 60 days of receiving all of the information that we require for the evaluation. We reserve the right to periodically re-evaluate products or services of any approved supplier, and revoke our approval if the supplier does not continue to meet any of our criteria.

Eager Enrichment and Our Affiliates as Approved Suppliers

We may designate ourselves and/or our affiliates as an approved supplier, or the only approved supplier, from which you may or must lease or purchase certain products or services in developing and operating your Eager Enrichment franchise. We and our affiliates may derive revenue from these sales and may sell these items at prices exceeding our or their costs in order to make a profit on the sale. We are currently not an approved supplier for any other product, service or materials, except for our proprietary curriculum.

Our Involvement with Suppliers

We and our affiliates and designees reserve the right to receive revenue or other material consideration from suppliers in consideration for other goods or services that we require or advise you to obtain from approved suppliers. We anticipate that any revenue or other consideration received would probably include promotional allowances, rebates, volume discounts, and other payments, and would probably be equal to zero to thirty percent of the amount of the goods or services you purchase from the supplier. We expect that at least some of these arrangements will generally allow us to obtain discounts off standard pricing and pass at least a portion of the savings on to you. In fiscal year 2025, no revenue was derived from franchisee purchases or leases.

There currently are no purchasing and distribution cooperatives.

Effects of Compliance and Noncompliance

You must comply with our requirements to purchase or lease goods and services according to our specifications and/or from approved suppliers to be eligible to renew your franchise. Failure to comply with these requirements will render you ineligible for renewal, and may be a default allowing us to terminate your franchise and/or withhold performance (including but not limited to removing your access to our website or any intranet, removing any information about your Franchise on our website, removing you from any lists for which inquiries for services are made, any lists of approved Franchises for which any of our approved supplies provide discounts or any lists that you are approved to participate in national or other alliance programs). We do not provide any other benefits to you because of your use of designated or approved services and products, or suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED

INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3.1 of the FA	Items 7, 8, and 11
b. Pre-opening purchases/leases	Sections 3.1, 3.2, 3.3 and 3.4 of FA	Items 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 3.1, 3.2, 3.3, 3.4 and 3.5 of FA	Items 7, 8, and 11
d. Initial and ongoing training	Sections 3.5, 4, 5.1 and 10.7 of FA	Items 5, 6, 7, 11 and 14
e. Opening	Section 3.5 and Exhibit 1 of FA	Items 7 and 11
f. Fees	Sections 2.4, 3.3, 4.2, 6, 10.3, 10.8, 11.1, 11.4, 12, 13.2, 14.5, 15.3, 16.1 and 17.8 of FA	Items 5, 6, 7, 8, 11, 13 and 14
g. Compliance with standards and policies/Operating Manual	Sections 2.4, 3.1, 3.2, 3.3, 3.4, 3.5, 4.2, 5.2, 5.3, 7.1, 7.2, 7.6, 10, 11.2, 11.4, 12, 13.1 and 19 of FA	Items 8, 11, and 12
h. Trademarks and proprietary information	Sections 5.2, 7, 9, 11.2. 11.4, 16.2, 16.3 and 16.4 of FA	Items 13 and 14
i. Restrictions on products/services offered	Section 10.2 and 10.3 of FA	Item 8 and 16
j. Warranty and customer service requirements	Section 10 of FA	Not Applicable
k. Territorial development and sales quotas	Section 2.1, 2.3 and 3.1 of FA; Exhibit 1 to FA	Item 12
l. On-going product/service purchases	Sections 3.3, 3.4, 5.1, 5.2, 5.3, 6.4, 10.2, 10.3, 10.8, 10.9, 11.2, and 11.4 of FA	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	Sections 3.1, 10.1 and 10.5 of FA	Items 8, and 11
n. Insurance	Section 10.8 of FA	Items 6, 7, and 8
o. Advertising	Sections 6.3 and 11 of FA	Items 6, 7, and 11
p. Indemnification	Sections 8.3, 10.8 and 16.6 of FA	Items 6 and 13

Obligation	Section in Agreement	Disclosure Document Item
q. Owner's participation/ management/staffing	Sections 4, 10.4, 10.6 and 10.7 of FA, Exhibit 2 of FA	Items 11 and 16
r. Records and reports	Section 12 and 13 of FA	Item 6 and 11
s. Inspections and audits	Section 13 of FA	Item 6
t. Transfer	Section 14 of FA	Items 6 and 17
u. Renewal	Section 2.4 of FA	Item 6 and 17
v. Post-termination obligations	Sections 9.2, 9.3, 15, 16, 17.4,17.8 of FA	Item 17
w. Non-competition covenants	Sections 9.3, 15.5, 16.6, and 17.8 of FA	Item 17
x. Dispute resolution	Sections 17.8, 17.9, 17.10 and 17.11 of FA	Item 17
y. Non-solicitation/non-disparagement/non-disclosure covenants	Sections 9.2, 9.3, 15.5, 16, 17.8 of FA	Item 17

Item 10

FINANCING

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

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Our Pre-Opening Obligations:

Before you open your Eager Enrichment Franchise for business, we or our designee will:

1. Designate your Protected Territory (Franchise Agreement – Section 2.3). See Item 12 for additional information about your Protected Territory. You may only operate your Franchise to provide services at locations within your Protected Territory. We assist in Protected Territory selection by using factors that are considered desirable by us. No real estate purchase or

lease is required since the Eager Enrichment franchise model is designed as a home-based business. Therefore, we expect that you will operate your business from your home and we do not approve your business location.

Nevertheless, you may choose to operate your business from a commercial site. In that case you must:

a. Locate a site within your Protected Territory and obtain our prior written approval of the site.
b. Obtain our approval prior to signing any lease or purchase agreement for the site.
c. Conform the site to applicable building code requirements and our System Standards.
d. Secure all permits and licenses for the site.
e. Obtain our approval prior to the start of any construction or other plans for the site (and any deviations) so that we can ensure that the site's appearance meets the System Standards for Eager Enrichment locations.
f. Obtain our written approval prior to changing your commercial office design or appearance and, at your own expense, maintain and periodically renovate the office interior and exterior as we require to maintain Eager Enrichment design and appearance requirements.
g. Buy or lease and display, at your commercial site (whether attached to a building or free-standing), only signs, emblems, logos, lettering and other materials that comply with our System Standard. We may periodically revise these specifications, and you must comply with these revisions at your own expense.

2. Identify the products, materials, supplies and services you must use to develop and operate the Franchise, the minimum standards and specifications that you must satisfy in developing and operating the Franchise, and the designated and approved suppliers from whom you must or may buy or lease these items (which might be limited to or include us and/or our affiliates) (Franchise Agreement – Section 5.1). These items are subject to change from time to time.

3. Lend to you one copy of our Operations Manual, which contains our mandatory and suggested specifications, standards, and procedures for operating your Franchise (Franchise Agreement – Section 5.1-5.2). The Operations Manual, for which the Table of Contents is attached as Exhibit C, may be composed of, or include writings, drawings, photos, video, and audio recordings, and/or other written or intangible materials. We may make all or part of the Operations Manual available to you through various means, including the internet, websites, emails or other remote means. The Operations Manual is currently 180 pages, as of December 31, 2025. The Operations Manual contains our System Standards and information about your other obligations under the Franchise Agreement. We may modify all or any portion of the Operations Manual periodically to reflect changes in System Standards. You must keep your copy of the Operations Manual current, and in a secure location at your Franchise. You agree that you will monitor and access the website, intranet, or extranet for any updates to the Operations Manual. If you and we have a dispute over the contents of the Operations Manual, then our master copy of the Operations

Manual will control. The Operations Manual, as well as any password or other digital identification necessary to access the Operations Manual on a website, intranet, or extranet, is confidential, and you may not copy, duplicate, record or otherwise reproduce any part of it. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, then you must obtain a replacement copy at our then applicable charge (see Item 6). You may view our Operations Manual at our corporate headquarters before purchasing your Franchise, but must first sign a nondisclosure agreement promising not to reveal any of the information contained in the Manual without our permission.

4. Provide you with specifications for the computer and customer registration system for your Franchise (Franchise Agreement – Section 3.4). You must install your computer and registration system in accordance with our specifications. See below for additional information about these specifications.

5. Provide you with our initial training program for Franchises for up to two (2) people at no additional charge to you, however, you must pay the food, lodging and travel expenses for all attendees. See below for additional information concerning our initial training program for Franchises. (Franchise Agreement – Section 4.2).

6. Provide you with specified marketing materials, and review and approve or disapprove any advertising that you propose to use for your Franchise (Franchise Agreement – Section 11.2). Our actual or deemed approval will not mean that we have analyzed or approved any advertising materials with respect to any state, local or administrative law, rule or regulation that may be applicable to a franchise's business. Advertising on the internet or having your own website online is restricted by your Franchise Agreement.

You must open your Franchise within 30 days after you (and/or your designated and approved manager) satisfactorily complete initial training. (Franchise Agreement – Section 3.3). If you purchase multiple Franchise franchises, we currently require that you open the second Franchise and each additional Franchise within 6 months of opening the first Franchise. We estimate that Franchises will typically open for business approximately 3-4 months after signing the Franchise Agreement. Factors affecting this length of time include completion of required training, financing arrangements, local ordinance compliance, legal clearances, and hiring and training of your staff.

You may not open your business until we confirm that all class preparation items specified in the System Standards have been satisfactorily completed, you (and/or your designated and approved manager) have satisfactorily completed initial training, the business location (home-based or commercial) is ready for opening in all other respects, and the Initial Franchise Fee has been paid in full.

Our Post-Opening Obligations:

After your Franchise opens for business, and so long as you are not in default under the Franchise Agreement, we or our designee will:

1. Provide you with guidance and assistance in the following areas: (a) the products and services authorized for sale by the Franchise, and specifications, standards, and operating and management procedures used by your Franchise; (b) purchasing approved instructional materials, services, marketing materials and other supplies; (c) development and implementation of local advertising and promotional programs; (d) establishing and using administrative, bookkeeping, accounting, inventory control and general operating and management procedures; (e) establishing and conducting employee training programs for the Franchise; and (f) changes in any of the above that occur from time to time (Franchise Agreement – Section 5.1).

2. Continue lending to you a copy of our Operations Manual (Franchise Agreement – Sections 5.1-5.2). We may modify the Operations Manual periodically to reflect changes in System Standards. We will provide you with telephone and email support during the term of the Franchise Agreement in order to help you comply with the System Standards.

3. Issue and modify the System Standards for Franchises (including any optional programs used by your Franchise) (Franchise Agreement – Section 5.3).

4. Allow you to use our Marks and confidential information in operating your Franchise (Franchise Agreement – Sections 7 and 9). You must use the Marks and confidential information only as authorized in the Franchise Agreement and Operations Manual.

5. Indemnify you against damages for which you are held liable in any proceeding arising out of your use of our Marks in compliance with the Franchise Agreement and reimburse you for costs you incur in defending against any such claim (Franchise Agreement – Section 7.5).

6. Review and approve suppliers and distributors you would like to use (Franchise Agreement – Section 10.3).

7. Provide any product or perform any service for which we or our affiliate are an approved supplier (Franchise Agreement - Section 10.3).

8. As we deem appropriate, provide you and your staff with additional, ongoing, and supplemental training programs (Franchise Agreement – Section 4.2).

9. At your expense, we will provide you with a website that is designed, constructed, hosted and maintained by or for us (See Item 6) on our System website. We will retain ownership of all intellectual property and other rights in the System website, your webpage, and all information they contain (including the domain name and URL for your webpage, visitor logs, and any personal or business data that visitors may supply). We have final approval rights over all information on the System website and may implement and periodically modify System standards, specifications, and operating procedures for the System website. Other than this website, you may not create or maintain your own website for your business. You are allowed to add Eager Enrichment approved content and pictures to the sections of your System website page that can be edited. You agree to give us information and materials that we may periodically request concerning your Franchise and to otherwise participate in the System website in the manner that we may require. The System website can consist of one or more websites or social media accounts.

10. Review and approve or disapprove your advertising, marketing, and promotional materials (Franchise Agreement – Section 11.2). Our actual or deemed approval will not mean that we have analyzed or approved any advertising materials with respect to any state, local or administrative law, rule or regulation that may be applicable to a franchise's business. Advertising on the internet or having your own website online is restricted by your Franchise Agreement.

Initial Training Program

Within 60 days after you sign the Franchise Agreement, or any other time as may be mutually agreed upon, you (if you are an individual) or at least one of your Principal Owners as defined in your Franchise Agreement (if you are a legal entity), your general manager (if we agree for you to have a general manager; see Item 15), must complete this initial training program to our satisfaction. If the designated individuals have not completed the initial training program within the stated timeframe, we may terminate your franchise or delay the opening of your Franchise until the training program has been satisfactorily completed by the designated individuals.

The training program includes classroom instruction and Franchise operation training at a conference facility in the Westlake, Ohio area. The initial training program will be offered approximately once per month. There will be no tuition charge for these training programs for up to two (2) of the persons we require to attend, and there is a $3,500 training fee for each additional attendee (see Item 6). You must pay any wages or compensation owed to, and all travel, lodging, meal, and transportation expenses incurred by, all of your personnel who attend the training program.

The instructional materials used in the training program consist of the Operations Manual, curriculum and other instructional materials and other written directives related to the operation of a Franchise. Our instructors for the initial training program are Cheryl McNeill and Darren Wilson.

Cheryl McNeill – From January 2022 to the present, Ms. McNeill has been Chief Executive Officer of Eager Enrichment, Inc. From January 2014 to the present, Ms. McNeill has been the co-owner of Active Time LLC, a personal enrichment business for children ages 4-13 and adults.

Darren Wilson - From January 2022 to the present, Mr. Wilson has been the Chief Financial Officer of Eager Enrichment, Inc. From January 2014 to the present, Mr. Wilson has been the co-owner of Active Time LLC, a personal enrichment business for children ages 4-13 and adults.

We also reserve the right to draw on the experience of our personnel, our franchises, or our affiliates, in order to conduct initial training. Although the individuals instructing the training program may vary, all of our instructors will have significant relevant work experience in their designated subject area.

Our initial training program for Eager Enrichment Franchises is described below:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours of On-the-Job Training	Location
Teaching Skills and Curriculum	16	None	Westlake, Ohio area
Hiring Employees and Policies	3	None	Westlake, Ohio area
Sales and Marketing	7	None	Westlake, Ohio area
Operating Procedures	8	None	Westlake, Ohio area
Management	1	None	Westlake, Ohio area
Accounting	1	None	Westlake, Ohio area
Reporting	1	None	Westlake, Ohio area
Support Procedures	1	None	Westlake, Ohio area
TOTAL	38	0	

Explanatory Notes:

(1) The training program is subject to change due to updates and modifications in materials, methods, procedures, manuals and personnel without notice to you. Most of these subjects are integrated throughout the live, virtual classroom and in-person training sessions (consisting of 38 total hours of training for you and for your staff that will be required to attend the initial training program). Your staff may be required to attend certain training sessions at the initial training program separate from the training sessions that you attend due to the nature of the topics being covered. In some instances, you and your staff will attend the same training session.

We reserve the right to offer and hold additional ongoing training programs at such times and locations as we may deem necessary or appropriate. We also reserve the right to make any of these training programs mandatory for you and/or designated owners, employees, general managers, and/or representatives of yours. You will be solely responsible for the wages and travel, lodging, and living expenses for each attendee of yours who attends any additional training program or franchise owners meeting offered and held by us. If we offer any such mandatory training programs, then you or your designated personnel must attend a minimum of seventy-five percent (75%) of the programs offered on an annual basis (Franchise Agreement - Section 4.2).

Advertising and Marketing

Advertising by You

You may develop, at your cost, advertising, and promotional materials for your own use, but may not use them until after we have approved them in writing. You must submit to us for our approval samples of all advertising and promotional materials not prepared or previously approved by us that you wish to use. We will not unreasonably withhold our approval. If we do not disapprove any materials submitted to us within 15 days of receiving them, they will be deemed approved. Our actual or deemed approval will not mean that we have analyzed or approved any such materials with respect to any state, local or administrative law, rule or regulation that may be applicable to a franchise's business.

We may require you to list and advertise your franchise in telephone directories distributed within your Protected Territory, and with such internet-based directories as we may specify. These listings must be made in the directory categories we specify, using our standard forms of listing and classified directory advertisements. We may place classified directory advertisements on a national or regional basis and list your and other Eager Enrichment franchises operating within the directories' distribution area, with the cost of the advertisements being reasonably apportioned among all franchises listed.

If you purchase a franchise, you irrevocably consent to the use of your name and likeness, including voice and image, by us and its respective affiliates, successors and assigns, for all commercial purposes, including advertising and promotion, in any media, throughout the world in perpetuity, including but not limited to, on the internet.

Local and Regional Advertising Cooperatives

You are not required to participate in any local or regional advertising cooperative. We have no local or regional advertising cooperatives, but reserve the right to have one in the future.

Advertising Councils

There is currently not an advertising council ("Council"), but we reserve the right to establish one in the future. We will select the Council's members, and we may change or dissolve the Council at any time. We anticipate that a Council would serve in an advisory capacity, but may grant to the Council any operational or decision-making powers that we deem appropriate. We, or one or more of our affiliated companies or persons, may also offer separate, optional, advisory councils or groups that may have additional costs to you should you decide to participate.

Advertising by Us - Advertising Funds

We do not intend to create any mandatory advertising funds for our Franchises to carry out any national, regional and local advertising and promotional programs. In the future, we may establish optional programs to provide additional marketing services to Franchises. If you choose to use any optional marketing program, you must agree to pay the fee determined by us.

Computer System and Client Registration System

You must purchase and use the computer hardware and software system (collectively, "Computer System") that we periodically designate to operate your Eager Enrichment franchise, including computers, accounting software and client registration software. You must obtain the Computer System, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may be limited to us and/or our affiliates). The estimated initial cost of purchasing your Computer System will range from $2,500.00 to $5,500.00. The estimated cost of maintaining, updating and upgrading your Computer System is $0-$500 per year. We may periodically modify the specifications for, and components of, the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease, and/or obtain by license new or modified computer hardware and/or software and obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of these changes, improvements, upgrades, or updates. We have no obligation to reimburse you for any Computer System costs. Within 60 days after you receive notice from us, you must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly.

We may charge you a reasonable fee for (i) installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and/or license to you; and (ii) other Computer System-related maintenance and support services that we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require.

You will have sole responsibility for: (1) the acquisition, operation, maintenance, repair and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded. Unless otherwise provided, we and our affiliates will have no responsibilities for these items.

We will have independent, unlimited access to the information the Computer System generates, stores and tracks, including any information pertaining to your gross revenues and all other information stored by the Computer System. There are no limitations on our ability to access the information and data.

Item 12

TERRITORY

The Franchise Agreement for your Franchise grants you an exclusive territory known as your Protected Territory, the size of which is delineated by zip codes and will be determined by your and our mutual agreement based on the population of your market, area demographics, and estimated market demand for our franchised products and services. We do not have a minimum or maximum size of Protected Territory either in terms of physical area or population. You and we will mutually agree on your Protected Territory's boundaries when or after you sign the Franchise Agreement.

If you and we both agree, additional contiguous Protected Territory zip codes can be purchased following the signing of the Franchise Agreement. The rate per household ranges from $0.00 per household to $0.40 per household, with a base rate of $0.25 per household. The per household rate varies based on the median household income for the zip code as set forth in the latest U.S. Census Bureau data. The base rate is increased or decreased based on the percentage difference between the median household income in the Protected Territory zip code to be purchased, versus the overall United States median household income. Any zip code with a U.S. Census Bureau Poverty Rate of 20% or greater has a rate per household purchase price of $0.00. In any case, such additional zip codes (even if the purchase price is $0) can only be acquired with our written consent, which may be withheld in our discretion for any or no reason.

You may operate your Franchise only from a location that is physically located in your Protected Territory. You may provide services and products only at host sites and other locations within your Protected Territory. You are not restricted from providing services to customers who reside outside of your Protected Territory and who enter your Protected Territory for classes, camps, birthday parties or other authorized services provided by your Franchise, and may do so without having to pay any special compensation to us or any other Eager Enrichment franchisee. You may not, however, provide services to customers who reside outside your Protected Territory if you must travel outside of your Protected Territory to provide such services, without prior written permission from us.

If you receive a request to provide services and products at a location in another franchisee's protected territory, you must refer the request to the other franchisee in the manner we specify. If you receive a request to provide services and products at a location anywhere outside of your Protected Territory, but not within another franchisee's territory, you may not provide such services and products without our prior approval, which we may grant or deny in our discretion or on any conditions we deem appropriate.

If you are in compliance with the Franchise Agreement, then neither we nor our affiliates will, within your Protected Territory, operate or grant a franchise for another Eager Enrichment Franchise offering our franchised services and products or using our Marks from a location within your Protected Territory, or at host sites and other locations within your Protected Territory. The continuation of your rights to your Protected Territory does not depend on your achievement of any specific sales volume or market penetration. However, the continuation of your rights to your

Protected Territory depends upon your compliance with your obligations under your Franchise Agreement. Failure to comply with your obligations under the Franchise Agreement may result in the termination of your Franchise. Your Protected Territory may not be modified or altered under any circumstances unless you and we both agree to the change. Other than the foregoing, under no other circumstances may your Protected Territory be altered or modified by us.

You are permitted to use other channels, such as the internet, email, social media or other indirect marketing, to make or solicit sales to persons who may reside outside of your Protected Territory for services and products provided at locations within your Protected Territory, but you may not solicit customers that reside outside of your Protected Territory by direct marketing (either through paper mail or directed internet or social media). Likewise, Franchises owned by us or other Eager Enrichment franchisees may accept, and sell authorized services and products to, customers residing in your Protected Territory without having to pay you any special compensation. Franchises owned by us and other Eager Enrichment franchisees are permitted to use other channels, such as the internet, email, social media or other indirect marketing, to make or solicit sales to persons who may reside inside of your Protected Territory, using the Marks, so long as such communications are not directly and specifically targeted (either through paper mail or directed internet or social media) to residents of your Protected Territory and such services and products are not provided at locations within your Protected Territory.

You may not discount your pricing to attract clients who live in the Protected Territory of another Eager Enrichment Franchise. You have no options or rights of first refusal to purchase additional Eager Enrichment franchises, but may apply to us for the right to operate additional Franchises under separate agreements.

Reservation of Rights

We and our affiliates reserve the right to engage in any activities we deem appropriate that your Franchise Agreement does not expressly prohibit, whenever and wherever we desire, including the right to (a) operate, or grant to others the right to operate, Eager Enrichment Franchises physically located outside of your Protected Territory on terms and conditions we deem appropriate; and (b) offer or operate other education-related or child-focused companies or franchises, or enter into other lines of business, offering products and services that are similar or dissimilar to those offered by Eager Enrichment franchises, both in and outside of your Protected Territory, under trademarks and service marks other than the Marks without any compensation to you, and to use any channels of distribution (for example, the internet, email, social media, telemarketing, or other direct marketing) in connection with such system(s) and/or location(s); and (c) the right to sell or distribute, at retail or wholesale, directly or indirectly, or via the internet or any other means, or license others to sell or distribute, via any means (including the internet and other channels of distribution) any products that bear any proprietary marks, including the Marks, whether within or outside your Protected Territory; and (d) the right to be acquired (whether though acquisition of assets, or equity interests or otherwise, regardless of the form of transaction) by a business or entity providing products and services similar to those provided by Eager Enrichment franchises even if that business or entity operates, franchises, or licenses competitive businesses in your Protected Territory. We and our affiliates have used and reserve the right to use other channels of distribution, such as the internet, email, social media, telemarketing, or other direct marketing, to make or solicit such sales under trademarks and service marks other than the Marks.

During the term of your Franchise, we may contract with international, national or regional companies with headquarters or locations in your Protected Territory for any purpose, including providing Eager Enrichment services and products. You will be provided with the first right of refusal to provide these services and products on behalf of Eager Enrichment if provided at locations within your Protected Territory. If you refuse to provide these services and products, we may at our option: (1) provide the services and products directly; or (2) allow another Eager Enrichment franchisee to provide the contracted services or products, even if provided at locations within your Protected Territory.

At this time, we do not operate, franchise or have plans to operate or franchise a business under a different trademark or service mark that is similar or dissimilar to the products and services offered by Eager Enrichment franchises.

Item 13

TRADEMARKS

We grant you the right to operate your Eager Enrichment franchise using our principal Marks: (1) Eager Enrichment, (2) Eager Engineers, (3) Eager Artists, (4) Eager Sewing, and (5) Art, Wine & Friends.

These Marks are registered with the U.S. Patent and Trademark Office (USPTO), are currently effective and are not yet due for any renewals. We have filed all required affidavits with respect to the registrations below. You may also use other future trademarks, service marks, and logos we approve to identify your Eager Enrichment franchise. We have the following registrations with the USPTO:

Mark	**Registration Number**	**Date of Registration**	**Principal or Supplemental Register**
Eager Enrichment	7190864	October 10, 2023	Principal
Eager Engineers	7017056	April 4, 2023	Principal
Eager Artists	7017053	April 4, 2023	Principal
Eager Sewing	7017060	April 4, 2023	Principal
Art, Wine and Friends	7017199	April 4, 2023	Principal

We do not know of other superior prior rights or infringing uses that could materially affect your use of the Marks in any state. However, it is possible that the Marks have been used by others; and we cannot represent with certainty that we have exclusive or superior rights to the Marks in all geographic areas.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court. There are no pending infringement, opposition, or cancellation proceedings or material federal or state litigation involving the use and ownership of any of our trademarks. No agreement significantly limits our right to use or license the Marks in a manner material to your Franchise.

Your right to use the Marks is derived solely from your Franchise Agreement, and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of your franchise, including, without limitation, timely payment of the Initial Franchise Fee, Royalty Fees, and all other sums due to us. Any unauthorized use of the Marks by you will constitute an infringement of our rights in and to the Marks. Your use of the Marks and any goodwill established by them will be for our exclusive benefit, and your Franchise Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of your Franchise Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by, and licensed to you under, your Franchise Agreement. You may not at any time during or after the term of your franchise contest, or assist any other person in contesting, the validity or ownership of any of the Marks.

You must use the Marks as the sole identification of your franchise, but must also identify yourself as the independent owner of the franchise in the manner we prescribe. You may not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form. You also may not use any Mark with the sale of any unauthorized service or products, to promote any business or commercial venture other than your Franchise, or in any manner we have not expressly authorized in writing. You must prominently display the Marks on or with franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that may be required under applicable law.

You must immediately notify us of any apparent use of, or claims of rights to a trademark identical to or confusingly similar to the Marks. You may not communicate with any person other than us and our counsel about the apparent infringement, challenge, or claim. We and our affiliates will have sole discretion to take any affirmative action as we deem appropriate in, and the exclusive right to control any litigation or USPTO or other proceeding arising out of any apparent infringement, challenge, or claim, or otherwise relating to any Mark. You must sign any instruments and documents, render any assistance, and perform any acts that our or our affiliates' counsel deems necessary or advisable to protect and maintain our or our affiliates' interests in any litigation or USPTO or other proceeding related to any Mark, or otherwise protect and maintain our interests in the Marks.

If we decide that it is advisable for us and/or you to modify or discontinue use of any Mark and/or use one or more additional or substitute trade or service marks, then you must comply with our instructions to do so within a reasonable time after receiving notice from us at your own expense and we need not reimburse you for any loss of revenue due to any modified or discontinued Mark.

We will indemnify you against, and reimburse you for, (1) all damages for which you are held liable in any judicial or administrative proceeding arising out of your use of any Mark in compliance with your Franchise Agreement; and (2) all costs you reasonably incur in defending against any claim brought against you or in any proceeding in which you are named as a party, provided that you have timely notified us of the claim or proceeding, provided us with the opportunity to defend the claim, cooperated with the defense of the claim, and otherwise complied with the Franchise Agreement. We may defend any proceeding arising out of your use of any Mark under your Franchise Agreement, and have no obligation to indemnify or reimburse you for any attorneys' fees or disbursements you incur if we defend the proceeding.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a registered patent or copyright, but you can use the proprietary information in our Operations Manual. See Item 11 for additional information about our Operations Manual. We do not own any rights in or licenses to any patents or have any pending patent applications that are material to the franchise. Although we have not filed an application for copyright registration of our Operations Manual or other copyrighted or copyrightable materials and items, we claim copyright protection in them, and they are proprietary. We do not have any obligation to take action for unauthorized uses of the information in our Operations Manual or other copyrighted item, but we intend to do so in circumstances we deem appropriate. We do not have to indemnify you for losses brought by a third party concerning your use of this information, but intend to do so under circumstances we deem appropriate.

We are not aware of any material infringing uses of this information. There are no agreements in effect affecting or limiting our right to use this information. There are no material determinations of, or proceedings in, the United States Patent and Trademark Office, the United States Copyright Office or a court concerning any patent or copyright owned by us.

You must immediately notify us of any apparent use of, or claims of rights to materials identical to or confusingly similar to our Operations Manual or other materials. You may not communicate with any person other than us and our counsel about the apparent infringement, challenge, or claim. We and our affiliates will have sole discretion to take any affirmative action as we deem appropriate in, and the exclusive right to control any litigation or USPTO or other proceeding arising out of any apparent infringement, challenge, or claim, or otherwise relating to any of our materials. You must sign any instruments and documents, render any assistance, and perform any acts that our or our affiliates' counsel deems necessary or advisable to protect and maintain our or our affiliates' interests in any litigation or USPTO or other proceeding related to any of our materials, or otherwise protect and maintain our interests in such materials.

If we decide that it is advisable for us and/or you to modify or discontinue use of the Operations Manual or any of our other materials, then you must comply with our instructions to do so within a reasonable time after receiving notice from us at your own expense and we need not reimburse you for any loss of revenue due to any modified or discontinued materials.

We and our affiliates have developed proprietary confidential information comprising methods, techniques, procedures, know how, information, systems, and knowledge of and experience in the design and operation of Eager Enrichment franchises, including but not limited to (1) knowledge of sales and profit performance of any one or more Eager Enrichment franchises; (2) curriculum and instructional materials used by Eager Enrichment franchises; (3) advertising and promotional programs and image and decor; (4) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of Eager Enrichment franchises; (5) copyrighted or copyrightable materials, including, without limitation, office forms and procedures, training, promotional, and marketing materials, telephone scripts and the content of the Operations Manual and other works of authorship under or in connection with the operation of the System; and (6) the methods of training employees (collectively, the "Confidential Information"). We will disclose the Confidential Information to you in the initial training program described in Item 11, the Operations Manual loaned to you, and guidance furnished to you during the term of your Franchise. You will not acquire any interest in the Confidential Information other than the right to use it in the development and operation of your franchise during the term of the franchise.

The Confidential Information is proprietary, and, except to the extent that it is or becomes generally known in the industry or trade, is our trade secret, and is disclosed to you solely for your use in the operation of your Franchise during the term of the Franchise. You (1) must not use, directly or indirectly, the Confidential Information in any other business or capacity or for any purpose other than as needed in the development or operation of your Franchise during the term of the franchise; (2) must maintain the confidentiality of the Confidential Information during and after the term of the Franchise and not directly or indirectly publish or otherwise disclose it to any third party; (3) must not make unauthorized copies of any portion of the Confidential Information disclosed in written form or another form or media; and (4) must adopt and implement all reasonable procedures, including any that we may prescribe periodically, to prevent the unauthorized use or disclosure of any of the Confidential Information, including restrictions on disclosure to your employees and the use of nondisclosure clauses in employment agreements with your employees.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Unless we approve your employment of a general manager to operate your Eager Enrichment franchise, you (if you are an individual) or one of your Principal Owners, officers, directors, or employees approved by us (if you are a legal entity) must actively participate in the actual operation of the franchise, and devote as much of your time as may be reasonably necessary for its efficient operation. If we agree to your employment of a general manager, then the general manager will supervise the day-to-day operation of your franchise. You must not hire any general manager without our prior written approval of his or her qualifications. Each general manager and successor general manager must attend and complete our initial training program for your franchise prior to commencing the role of General Manager (see Item 11). We do not require that the general manager have an equity interest in your franchise, but he or she cannot have any interest in or business relationship with any business competitor of your franchise, and must sign a written agreement to maintain confidential the proprietary information described in Item 14 and conform with the covenants not to compete described in Items 17(q) and 17(r), as well as non-disparagement and non-solicitation covenants described in Items 17 (x) and 17(y).

Obligations of Owners

You (if an individual) or each of your Principal Owners (if you are a legal entity) must sign an Assumption and Guarantee of Obligations (attached to the Franchise Agreement as Exhibit 3), agreeing to be bound by and guaranteeing your obligations as the "franchisee" under your Franchise Agreement. If you and/or your Principal Owners transfer your Franchise Agreement or any related interest, then you and/or the owners making the assignment must agree to be bound by the terms of the Agreement. You and your Principal Owners must at all times faithfully, honestly and diligently perform your and their obligations under the Franchise Agreement. You and they must continuously exert your and their best efforts to promote and enhance your franchise. Neither you nor your Principal Owners can engage in any other business or activity that may conflict with your or their obligations under your Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those services and products we have approved for your franchise. You must also offer all goods and services that we designate for your franchise. You may not offer or sell any goods, services, equipment, or products that we prohibit without our written consent. We may add new or additional products and services that you must offer at your franchise. There are no restrictions in the Franchise Agreement on our right to do this. All advertising, signs, promotional materials, decorations and other related items we designate must have the Marks in the form we specify.

See Item 12 for information regarding restrictions on your customers.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of franchise term	Section 2.1	10 years
b. Renewal or extension of the term	Section 2.4	Additional terms of 10 years
c. Requirements for you to renew or extend	Section 2.4	The term "renewal" means that you will be granted a franchise for 1 additional term, equal in length to the initial term, subject to your compliance with all the terms of the Franchise Agreement and all other agreements between you and us, including the Operations Manual. At least 6 months before the expiration of your franchise, we will notify you as to whether you appear eligible to renew the Franchise or, if applicable, we will provide you with a notice of deficiencies. If you appear to be eligible for renewal, we will ask you to provide us with notice of your intent to renew within a specific time period after receipt of our notice. Also, you must: correct any deficiencies in the operation of the franchise identified in our written notice to you prior to expiration; sign our then current franchise agreement and any ancillary documents; pay a renewal fee (see Item 6); and sign a general release of any and all claims against us, our officers, directors, employees and agents (see Exhibit F). You may be asked to sign a contract with materially different terms and conditions than your original Franchise Agreement. Your right to renew will be contingent upon your acceptance of these new terms and conditions.
d. Termination by you	Section 15.5	The Franchise Agreement gives you the right to terminate prior to the end

Provision	Section in Franchise Agreement	Summary
		of the stated term only if we are in material default under the Franchise Agreement and do not cure that default within 90 days after receipt of written notice from you. You may also have the right to terminate the Franchise Agreement under applicable law.
e. Termination by us without cause	Not applicable	Not applicable.
f. Termination by us with cause	Section 15.1	Only upon written notice, except that if you fail to timely and expressly assume, ratify or confirm the Franchise Agreement in any bankruptcy proceeding and you cease, or have ceased, performance under the Franchise Agreement in any respect, then all rights granted to you under the Franchise Agreement shall immediately and automatically terminate and revert to us without further notice to you or action on our part.
g. "Cause" defined –curable defaults	Section 15.1	You do not pay us within 10 days after written notice; you do not comply with any other provision of the Franchise Agreement or specification, standard, or operating procedure and do not correct such failure within 30 days after written notice.
h. "Cause" defined – non-curable defaults	Section 15.1	You fail to timely develop or open the franchise; you (or any individuals required to attend) fail to attend and/or successfully complete any required initial training or subsequent mandatory training; you abandon, surrender, transfer control of or do not actively operate the franchise or lose the right to occupy the franchise location; you or any Principal Owner make an unauthorized transfer or assignment of the franchise or its assets; you are

Provision	Section in Franchise Agreement	Summary
		adjudged a bankrupt, become insolvent, or make an assignment for the benefit of creditors, or you fail to satisfy any judgment rendered against you for a period of 30 days after all appeals have been exhausted; you use, sell, or distribute unauthorized products, or use any client referral or marketing services that has not been formally approved by us in writing and in advance for your franchise or for the franchise system as a whole; you or your Principal Owners are convicted of a felony, or are convicted or plead no contest to any crime or offense that adversely affects the reputation of the franchise and the goodwill of our Marks, or otherwise engage in any dishonest, unethical or conduct that is reasonably likely to reflect materially and unfavorably on the goodwill or reputation of your Franchise, the Marks or the System; you understate your gross revenues for any period as determined by an audit or inspection by greater than 5%; you violate any health or safety law or ordinance or regulation, or operate the franchise in a way that creates a health or safety hazard; you fail to submit when due any financial statements, reports or other data, information, or supporting records; or you fail on 3 or more occasions within any cause active 12 month period to comply with the Franchise Agreement regardless of whether you properly them. Also, in the event you fail to timely and expressly assume, ratify, or confirm the Franchise Agreement in any bankruptcy proceeding and you cease, or have ceased, performance hereunder in any respect, then all rights granted to you

Provision	Section in Franchise Agreement	Summary
		under the Franchise Agreement shall immediately and automatically terminate and revert to us without further notice to you or action on our part. Also, in the event, in the opinion of our legal counsel, any provision of the Franchise Agreement is contrary to law and we are not able to negotiate an amendment to the Franchise Agreement to conform to legal requirements upon 30 days' notice, or the amendment requires a fundamental change to the Franchise Agreement, we may terminate the Franchise Agreement.
i. Your obligations on termination/ non-renewal	Sections 15 and 16	You must pay all amounts owed to us; refrain from using our Marks, return to us or destroy (as we specify) all customer lists, forms and materials bearing our Marks or relating to the franchise; de-identify the franchise premises, if any; return the Operations Manual; comply with covenants against competition and the non-solicitation, non-disparagement, and non-disclosure covenants in Section 9 of the Franchise Agreement; and cease using all confidential information. You must also (1) execute any documents and take any steps necessary to delete your listings from classified telephone directories, disconnect, or, at our option, assign to us all telephone numbers that have been used in your Franchise, assign to us any URLs, domain names, and social media and social networking names that you have used in connection with your Franchise, and terminate all other references that indicate you are or ever were affiliated with us, and (2) give us a

Provision	Section in Franchise Agreement	Summary
		final accounting for your Franchise, and you must maintain all accounts and records for your Franchise for a period of not less than seven years after final payment of any amounts you owe to us, our affiliates, and/or related persons, but you may not sell, disclose, or otherwise transfer any of the information contained in those accounts and records to, or for use by, any competitive business. Under certain conditions, you must pay us liquidated damages equal to your average monthly Royalty Fee, multiplied by lesser of (i) 36 or (ii) the number of months remaining in your franchise term.
j. Assignment of contract by us	Section 14.3	Fully transferable by us.
k. "Transfer" by you-defined	Section 14	Transfer includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Franchise Agreement, the franchise or its assets, or any interest in the franchise.
l. Our approval of transfer by you	Section 14.4	You may not transfer the Franchise Agreement, the franchise or its assets or any interest in the franchise without our approval. We will not unreasonably withhold approval if you are in full compliance with the Franchise Agreement.
m. Conditions for our approval of transfer	Section 14.5	If you propose to transfer the Franchise Agreement, the franchise or its assets, or any interest in the franchise, or if any of your Principal Owners proposes to transfer a controlling interest in you or make a transfer that is one of a series of transfers which taken together would constitute the transfer of a controlling interest, then you must

Provision	Section in Franchise Agreement	Summary
		apply to us for approval of such transfer and sign such forms and procedures as we have in effect at that time, the person or entity to whom you wish to make the transfer must apply to us for acceptance as a franchisee, and you must submit to us all of the information and documentation required for us to evaluate the proposed transfer. Also, the new owner must have sufficient business experience, aptitude and financial resources to operate the franchise; you must pay all amounts due us or our affiliates; the new owner and any approved general manager must successfully complete our initial training program; your landlord must consent to transfer of the lease, if any; you must pay us a transfer fee (see Item 6); you and your Principal Owners must sign a general release in favor of us, our affiliates, and our and their officers, directors, employees and agents (see Exhibit G); you and your Principal Owners must comply with all post-termination obligations in the Franchise Agreement; the new owner must assume all obligations under your Franchise Agreement or, at our option, sign a new Franchise Agreement using our then-current form. We also may approve the material terms of the transfer, and require that you enter into an agreement with us providing that all obligations of the new owner to make installment payments of the purchase price to you or your Principal Owners will be subordinate to the obligations of the new owner to pay any amounts payable under the Franchise Agreement or any new Franchise Agreement that we may require the new owner to sign in

Provision	Section in Franchise Agreement	Summary
		connection with the transfer, and containing a general release of any claims that you may have against us. (see Exhibit G).
n. Our right of first refusal to acquire your business	Section 14.8	We have the right to match any bona fide, arms-length offer for your business.
o. Our option to purchase your business	Section 15.6	When the Franchise Agreement expires or terminates, we may purchase your operating assets at fair market value, less the value of any goodwill associated with our Marks and other intangible assets.
p. Death or disability of franchisee	Section 14.6	Executor, administrator, or other personal representative must transfer interest within 12 months; all transfers are subject to provisions in Franchise Agreement regulating transfers.
q. Non-competition covenants during the term of the franchise	Sections 9.3 and 17.8	Neither you, your Principal Owners, nor your General Managers (during their term of employment), may perform services for or have any interest in any business providing competitive services or products.
r. Non-competition covenants after the franchise is terminated or expires	Section 9.3	Applicable to you and your Principal Owners for a period of 2 years following termination, expiration or Transfer, within your Protected Territory or within 25 miles of the Protected Territory of any other Eager Enrichment Franchise.
s. Modification of the agreement	Section 20	No modifications to Franchise Agreement unless you and we agree in writing; we may amend Operations Manual at any time.
t. Integration/merger clause	Section 20	Only the Franchise Agreement applies (subject to state and federal law); all other agreements or promises not enforceable, except that nothing in the Franchise Agreement

Provision	Section in Franchise Agreement	Summary
		will operate to waive or disclaim your right to rely on the representations and claims asserted in this FDD.
u. Dispute resolution by arbitration or mediation	Section 17.9	Except for certain claims, we and you must arbitrate all disputes in Cuyahoga County, Ohio (subject to state law) before a single arbitrator with the American Arbitration Association. Except as we elect to seek temporary or permanent injunctive relief, before either party commences an arbitration, the parties agree that, as a condition precedent to the filing or commencement of any arbitration, they will attempt to resolve any dispute through internal mediation between the parties to be conducted in a mutually agreeable location, or if no such location is agreed upon within 10 days after a request for mediation, then at our corporate headquarters.
v. Choice of forum	Section 17.9 and 17.11	Cuyahoga County, Ohio (subject to state law).
w. Choice of law	Section 17.11	Ohio law governs, except for matters regulated by the United States Trademark Act (subject to state law).
x. Non-solicitation and non-disparagement covenants	Sections 4.1, 9.3 and 17.8	The Franchise Agreement prohibits you and each Principal Owner from making any negative or critical statements to any third parties, either verbally or in any other form or media, about (a) the Franchisor, the Franchise, any of our franchisees, or any of their respective products, services, businesses or business practices, or (b) the actions, operations or character of the Franchisor or the Franchise's

Provision	Section in Franchise Agreement	Summary
		respective owners, officers, directors, employees, consultants or agents. The Franchise Agreement also prohibits you and each Principal Owner, during the term of the Franchise Agreement and for a period of two (2) years following the expiration, termination or Transfer of the Franchise Agreement, from interfering with the Franchisor's relationship with any of the Franchisor's franchisees, employees, vendors, suppliers or referral sources.
y. Non-disclosure covenants	Sections 4.1, 9.2 and 17.8	You and each Principal Owner agree that at all times you (1) will not directly or indirectly use the Confidential Information in any other business or capacity or for any purpose other than as needed in the development and operation of the Franchise during the term of the Franchise Agreement; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement and not directly or indirectly publish or otherwise disclose it to any third party; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form or another form or media that may be copied or duplicated; and (4) will adopt and implement all reasonable procedures, including those we may prescribe from time to time, to prevent unauthorized use or disclosure of the Confidential Information, including without limitation restrictions on disclosure to your employees, and the use of non-disclosure, non-solicitation, non-disparagement and non-competition agreements we may

Provision	Section in Franchise Agreement	Summary
		prescribe or approve for your shareholders, partners, members, officers, directors, employees, independent contractors, or agents who may have access to the Confidential Information.

Item 18

PUBLIC FIGURES

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

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.

BASES AND ASSUMPTIONS.

The information below presents a forecast based upon the past performance results from our Company-owned outlet for 2023, 202 and 2025, with the noted adjustments intended to reflect the expected financial and operational differences between our Company-owned outlet and franchised outlets. The information presented in this Item 19 is derived from the financial records of our affiliate that operates the Company-owned outlet.

We did not have any franchised outlets with operations during 2023-2025, and the Cleveland/Columbus outlet is our only Company-owned outlet. Our Company-owned outlet is different than our franchise offering because (i) it provides services in two distinct geographical territories (i.e., Cleveland, OH and Columbus, OH), and (ii) is a mature business that has been operating for several years. Our Company-owned outlet does not maintain a physical office location.

These figures are only estimates of what we think you may earn. There is no assurance you'll do as well. If you rely upon our figures you must accept the risk of not doing as well.

FORECASTED RESULTS.

Please carefully read all of the information presented in this Item 19, including the explanatory notes following the table below.

	2023	2024	2025
Total Income (1):	**$489,373.00**	**$438,773.94**	**$481,458.02**
Expenses:			
Credit Card Processing Fees	14,573.76	14,016.88	13,266.49
Payroll & Payroll Taxes (2)	93,923.32	105,319.83	89,414.08
Insurance	3,672.32	4,397.31	4,299.06
Internet	1,809.93	1,764.60	1,788.47
Marketing/Advertising	377.93	1,358.78	472.42
Office Supplies Expense	48.17	-	1,554.57
Postage/Delivery	348.47	370.45	496.51
Printing	138.52	1,802.68	1,780.37
Accounting Services	2,176.05	2,198.86	2,530.21
Registration System (3)	4,917.52	5,798.35	7,200.00
Payroll Service	4,300.14	4,416.55	5,920.50
Recruiting & Verification	2,632.95	5,162.21	9,351.98
Room Fees	37,587.60	36,527.40	42,647.08
Class Supplies	19,731.78	18,763.75	10,736.84
Telephone	1,284.00	1,284.00	1,178.25
Training	162.99	213.60	3,427.37
Assumed Franchisee Costs (4)	41,537.84	37,489.92	40,872.71
Total Operating Expenses (5):	**$207,232.29**	**$206,885.17**	**$236,936.91**
Adjusted Net Income (6)	**$282,140.71**	**$231,888.77**	**$244,121.91**

Notes to Table:

(1) Total Income represents all funds actually received and collected for the services/products provided to clients of the Company-owned outlet.

(2) Payroll consists of direct salaries and wages of employees (other than our owners/managers) and related payroll taxes and withholdings payable by the outlet. The Company-owned outlet is managed by our owners who do not take a salary. Because of the geographic distance from the Company's management in the Cleveland, OH area, the Columbus

operations are managed by a third party. The manager's compensation (which ranged from $30,000 to $52,400 in the presented years) and an administrative assistant salary ($18,700 for 2025) are not included in the Operating Expenses because it is anticipated that franchised outlets initially will be managed by their owners. The figures presented above also exclude compensation and expense reimbursement for family members of the Company's owners, as such expenses would not be necessary for a franchised outlet.

(3) We have replaced the registration system expenses actually incurred in these years by our company-owned outlets with the cost we will charge franchisees for a third-party vendor program. See Items 7 and 8 above.

(4) The Assumed Franchisee Costs consist of the following additional operating expenses, which will be paid by franchised Studios, but were not paid by the Company-owned outlet for part of 2023: (a) 8% of Total Income for monthly royalty payments; and (b) $2388 per year for the required Technology Fee, which is not being currently assessed but may in the future. The percentages were applied to the Total Income figures described above to yield the projected cost in dollars. The Company-owned outlet did not pay royalties before March 2023 and has not paid the Technology Fee. We have applied the 8% of gross revenues royalty rate (instead of the actual amount paid) and the $199 per month Technology Fee to the actual results for 2023-2025 to provide additional information about the Company-owned outlet's performance if it had been paying the franchisee costs that will be required of our franchised units.

(5) Operating Expenses include ordinary and recurring operating expenses expected to be incurred by franchised outlets and actually incurred by our Company-owned outlet. For purposes of the total Operating Expenses shown above, we started with the Company-owned outlet's actual operating costs and then adjusted them by adding the assumed Franchisee Costs (see note 3 above). We did not include in Operating Expenses any amounts for vehicle depreciation and maintenance costs, dues and subscriptions, copier lease cost, fuel and travel expenses (for travel between our Cleveland and Columbus locations), interest expense, taxes, rent or office expense or employee benefits, like health insurance. In total, the figures presented above exclude approximately $32,500-$39,500 each year of such annual operating expenses that were actually incurred by the Company in operating its Eager Enrichment business. These operating expense exclusions are in addition to the exclusions for certain compensation expenses explained in footnote 2 above.

(6) Adjusted Net Income represents Gross Profit minus adjusted Operating Expenses (see note 4 above).

Written substantiation of the data used in preparing this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an 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 us by contacting our Chief Executive Officer at 29677 Washington Way, Westlake, Ohio 44145, Ph. 800-231-7519, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20

OUTLETS AND FRANCHISEE INFORMATION

System-Wide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	0	1	+1
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	0	1	+1
	2024	1	1	0
	2025	1	1	0

Explanatory Notes:

(1) We began offering Franchise franchises in August 2024. The Ohio company-owned outlet was converted into a Franchise as of March 1, 2023.

Our Franchise Franchisees

See Exhibit D for the name, address, and telephone number of each of our current and former Eager Enrichment Franchisees.

The name, city, state and telephone number for each Franchisee that was terminated, not renewed, canceled, voluntarily or involuntarily ceased to do business under the franchise agreement during the 2025 fiscal year, or who has not communicated to us within 10 weeks of the issuance date of this disclosure document, is set forth in Exhibit D. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
Total	2023	0
	2024	0
	2025	0

Explanatory Notes:

(1) We began offering Franchise franchises in August 2024.

Status of Franchised Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Totals	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

Explanatory Notes:

(1) We began offering Franchise franchises in August 2024.

Status of Company-Owned Franchised Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
OH	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Totals	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

Explanatory Notes:

(1) We began offering Franchise franchises in August 2024. The company-owned outlet was converted into a Franchise as of March 1, 2023.

Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
OH	0	2	0
Totals	0	2	0

Item 21

FINANCIAL STATEMENTS

Exhibit E contains the following financial statements required to be included with this Disclosure Document:

AUDITED FINANCIAL STATEMENTS FOR YEARS ENDED DECEMBER 31, 2025, DECEMBER 31, 2024 AND DECEMBER 31, 2023.

Item 22

CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit B	Franchise Agreement (including as exhibits an Owner's Guaranty and Assumption of Franchisee's Obligations, and other documents)
Exhibit F	General Release Agreement
Exhibit G	Transfer Agreement

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

Item 23

RECEIPTS

Following Exhibit H are 2 blank originals of a detachable Receipt form to be signed by you. Please sign both originals. We will keep one signed original, and you will keep the other.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS
SERVICE OF PROCESS

Following is information about state agencies and administrators whom you may wish to contact with questions about Eager Enrichment, Inc., or this Disclosure Document, as well as our agent for service of process.

Our agent for service of process in the State of Ohio is:

SSE, INC.
26600 DETROIT RD., SUITE 300
WESTLAKE OH 44145

We intend to register the franchises described in this Disclosure Document in some or all of the following states in accordance with applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states:

INDIANA
(state administrator)
Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)
Indiana Secretary of State
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MICHIGAN
(state administrator)
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 373-7177

(for service of process)
Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

EXHIBIT B

FRANCHISE AGREEMENT

Eager Enrichment, Inc.

FRANCHISE AGREEMENT

NOTICE: This Agreement is subject to binding arbitration – see Section 17.9.

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Eager Enrichment, Inc.

FRANCHISE AGREEMENT

This Franchise Agreement (this or the "Agreement") is being entered into and is effective as of the date of the last signature below (the "Agreement Date"). The parties to this Agreement are Eager Enrichment, Inc., an Ohio corporation ("we," "us" or "Eager Enrichment"); ____, as the franchisee ("you" or "Franchisee"), and, if you are a partnership, corporation, or limited liability company, your "Principal Owners" (defined below).

1. INTRODUCTION.

1.1 **Style of Agreement; Common Terms.** This Agreement has been written in an informal style in order to make it more easily readable and to be sure that you become thoroughly familiar with all of the important rights and obligations the Agreement covers before you sign it. This Agreement includes several exhibits, all of which are legally binding and are an integral part of the complete Franchise Agreement. In this Agreement, we refer to Eager Enrichment, Inc. as "we," "us," or the "Eager Enrichment." We refer to you as "you" or "Franchisee" and such terms include any person or entity that operates or has an interest in your Eager Enrichment business (the "Franchise" or the "Franchised Business"). If you are a corporation, partnership or limited liability company, you will notice certain provisions that are applicable to those principal shareholders, partners or members on whose business skill, financial capability and personal character we are relying in entering into this Agreement. Those individuals will be referred to in this Agreement as "Principal Owners".

1.2 **The Franchise System.**

a. Through the expenditure of considerable time, effort and money, we and our affiliates have devised a system for the establishment and operation of a Eager Enrichment business model offering all of our franchised services and products. Subject to an additional fee, we may also offer additional programs, products and services, which additional programs, products and services may change from time to time. We identify the System by the use of certain trademarks, service marks and other commercial symbols, including the names "Eager Enrichment," "Eager Engineers," "Eager Artists," "Eager Sewing" and "Art, Wine & Friends" and certain associated designs, artwork and logos, which we may change or add to from time to time (the "Marks").

b. From time to time we grant to persons who meet our qualifications, franchises to own and operate a Eager Enrichment Franchised Business in accordance with the System in a specified geographic territory. This Agreement is being presented to you because of the desire you have expressed to obtain the right to develop, own, and be franchised to operate an Eager Enrichment Franchised Business.

1.3. **Due Diligence.** In signing this Agreement, you acknowledge that you have conducted an independent investigation of the Eager Enrichment System, and recognize that, like any other business, the nature of it may evolve and change over time, that an investment in an Eager Enrichment Franchised Business involves business risks.

1.4 **Non-Uniform Agreements**. You acknowledge and agree that we have previously entered into franchise agreements with other franchisees, that we may in the future enter into franchise agreements with other franchisees, and that some or all of those franchise agreements may have terms substantially different from those in this Agreement. You also acknowledge and agree that we may, in our sole discretion and business judgment, waive or modify comparable provisions of any of those franchise agreements in a non-uniform manner, so long as we do so on a reasonably non-discriminatory basis.

2. **GRANT OF FRANCHISE**.

2.1 **Term; Reference to Exhibit 1**. You have applied for a franchise to own and operate an Eager Enrichment Franchised Business, and we have approved your application in reliance on all of the representations you made in that application. As a result, and subject to the provisions of this Agreement, we grant to you a Franchise to operate a Franchised Business offering all products, services, and proprietary programs of ours in accordance with all elements of the System, that we may require for Eager Enrichment franchises.

You must operate the Franchise from a mutually agreeable site physically located within your Protected Territory (the "Premises") to be identified after the signing of this Agreement, and to use the System and the Marks in the operation of that Franchise, for an "Initial Term" of 10 years. The Initial Term will begin on the Agreement Date, unless you are assuming the Franchise pursuant to a Transfer, in which case the length of the Initial Term shall be determined by the applicable Transfer Agreement. To avoid uncertainty, the expiration date of the Initial Term is listed on Exhibit 1. Termination or expiration of this Agreement will constitute a termination or expiration of your Franchise and the rights you received in connection with the Franchise, including your rights to use the Marks or any portion of the Confidential Information. (All references to the "Term of this Agreement" refer to the period from the Agreement Date to the date on which this Agreement actually terminates or expires.)

2.2 **Full Term Performance**. You specifically agree to be obligated to operate the Franchised Business, perform the obligations of this Agreement, and continuously exert your best efforts to promote and enhance the business of the Franchise for the entire Initial Term, and any subsequent renewal or extension of the Term of this Agreement.

2.3 **Protected Territory; Reference to Exhibit 1; Reservation of Rights**. You acknowledge that the Franchise granted by this Agreement gives you the right to operate your Franchise only from the Premises. You may provide services and products only at host sites and other locations within the territory described in Exhibit 1 (the "Protected Territory"). You and we will mutually designate your Protected Territory upon or after the signing of this Agreement and Exhibit 1 shall be deemed to be automatically updated and revised to reflect such designation or any mutually agreed upon changes to your Protected Territory.

a. You are not restricted from providing services to customers who reside outside of your Protected Territory and who enter your Protected Territory for classes, camps, birthday parties or other authorized services provided by your Franchise, and may do so without having to pay any special compensation to us or any other Eager Enrichment franchisee. You may not, however, provide services to customers who reside outside your Protected Territory if you must travel outside of your Protected Territory to provide such services, without prior written permission from us.

b. If you receive a request to provide services and products at a location in another franchisee's protected territory, you must refer the request to the other franchisee in the manner we specify. If you receive a request to provide services and products at a location anywhere outside of your Protected Territory, but not within another franchisee's territory, you may not provide such services and products without our prior approval, which we may grant or deny in our discretion or on any conditions we deem appropriate.

c. You are permitted to use other channels, such as the internet, email, social media or other indirect marketing, to make or solicit sales to persons who may reside outside of your Protected Territory for services and products provided at locations within your Protected Territory, but you may not solicit customers that reside outside of your Protected Territory by direct marketing (either through paper mail or directed internet or social media). Likewise, Franchises owned by us or other Eager Enrichment franchisees may accept, and sell authorized services and products to, customers residing in your Protected Territory without having to pay you any special compensation. Franchises owned by us and other Eager Enrichment franchisees are permitted to use other channels, such as the internet, email, social media or other indirect marketing, to make or solicit sales to persons who may reside inside of your Protected Territory, using the Marks, so long as such communications are not directly and specifically targeted (either through paper mail or directed internet or social media) to residents of your Protected Territory and such services and products are not provided at locations within your Protected Territory. You may not discount your pricing to attract clients who live in the Protected Territory of another Eager Enrichment franchise.

d. Provided you are in full compliance with this Agreement, then neither we nor our affiliates will, within your Protected Territory, operate or grant a franchise for another Eager Enrichment franchise offering our franchised services and products or using our Marks at locations within your Protected Territory.

e. Except as otherwise provided in this Section 2.3, we and our affiliates reserve the right to engage in any activities we deem appropriate, whenever and wherever we desire, including the right to (i) operate, or grant to others the right to operate, Eager Enrichment Franchises physically located outside of your Protected Territory on terms and conditions we deem appropriate; and (ii) offer or operate other education-related or child-focused companies or franchises, or enter into other lines of business, offering products and services that are similar or dissimilar to those offered by Eager Enrichment franchises, both in and outside of your Protected Territory, under trademarks and service marks other than the Marks without any compensation to you, and to use any channels of distribution (for example, the internet, email, social media, telemarketing, or other direct marketing) in connection with such system(s) and/or location(s); and (iii) the right to sell or distribute, at retail or wholesale, directly or indirectly, or via the internet or any other means, or license others to sell or distribute, via any means (including the internet and other channels of distribution) any products that bear any proprietary marks, including the Marks, whether within or outside your Protected Territory; and (iv) the right to be acquired (whether though acquisition of assets, or equity interests or otherwise, regardless of the form of transaction) by a business or entity providing products and services similar to those provided by Eager Enrichment franchises even if that business or entity operates, franchises, or licenses competitive businesses in your Protected Territory. We and our affiliates have used and reserve the right to use other channels of distribution, such as the internet, email, social media, telemarketing, or other direct marketing, to make or solicit such sales under trademarks and service marks other than the Marks.

f. During the term of your Franchise, we may contract with international, national or regional companies with headquarters or locations in your Protected Territory for any purpose, including providing Eager Enrichment services and products. You will be provided with the first right of refusal to provide these services and products on behalf of Eager Enrichment if provided at locations within your Protected Territory. If you refuse to provide these services and products, we may at our option: (1) provide the services and products directly; or (2) allow another Eager Enrichment franchisee to provide the contracted services or products, even if provided at locations within your Protected Territory.

2.4 **Renewal of Franchise**.

a. **Franchisee's Right to Renew**. Subject to the provisions of subparagraph 2.4b below, and if you have complied with all provisions of this Agreement and all other agreements between us, including the Operations Manual, on expiration of the Initial Term, you will have the right to renew the Franchise for one additional term of ten (10) years following the Initial Term.

i. At least 6 months before the expiration of the Initial Term, we will notify you as to whether you appear eligible to renew the Franchise or, if applicable, we will provide you with a notice of deficiencies pursuant to subparagraph 2.4 (b) below.

ii. If you appear to be eligible for renewal, we will ask you to provide us with notice of your intent to renew within a specific time period after receipt of our notice.

iii. If you give us timely notice of your desire to renew the Franchise, we will provide you with our then-current Franchise Disclosure Document and a timetable for the renewal process.

iv. Following an appropriate review period, and subject to your continued compliance with this Agreement and satisfaction of other terms of eligibility for renewal, you and we will enter into the documentation described in subparagraph 2.4(c) below.

b. **Notice of Deficiencies and Other Requirements**. At least 6 months before the expiration of the Franchise, we agree to give you written notice of any deficiencies in your operation or in the historical performance of the Franchise that could cause us not to renew the Franchise. If we will permit renewal, our notice will state what actions, if any, you must take to correct the deficiencies in your operation of the Franchise or of the Premises, and will specify the time period in which those deficiencies must be corrected or other requirements satisfied. Renewal of the Franchise will be conditioned on your continued compliance with all the terms and conditions of this Agreement up to the date of expiration, and not just on those conditions set forth in our 6 month deficiency notice. If we send a notice of non-renewal, it will state the reasons for our refusal to renew.

c. **Renewal Agreement; Releases**. To renew the Franchise, all of Eager Enrichment, you and your Principal Owners must execute the form of Franchise Agreement and any ancillary agreements we are then customarily using in the grant or renewal of franchises for the operation of Eager Enrichment franchises (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise), except that no initial franchise fee will be payable upon renewal of the Franchise. The terms of the Franchise Agreement that you must execute upon renewal, and any other agreements we may require, may differ materially from those contained in this Agreement, including the possibility of increased Royalty Fees and Technology Fees. Your right to renew will be contingent upon your acceptance of the new terms. You must pay to us a renewal fee equal of $5,000.00 not less than 30 days prior to the expiration of the Initial Term. You and your Principal Owners must also execute general releases, in a form satisfactory to us, of any and all claims against us and our affiliates, and our and their respective owners, officers, directors, employees, and agents.

3. **DEVELOPMENT AND OPENING OF THE FRANCHISE**

3.1 **Site Approval; Lease or Purchase of Premises**. You will use your best efforts to seek and select a proposed site for the Premises within the Protected Territory that is acceptable to us as suitable for the operation of the Franchise within 30 days of the date of this Agreement. No real estate purchase or lease is required since the Eager Enrichment franchise model is designed as a home-based business. Therefore, we expect that you will operate from your home and we do not need to approve your business location if you operate from your home. Nevertheless, you may choose to operate your business from a commercial site. In that case you must:

a. Locate a site within your Protected Territory and obtain our prior written approval of the site. We reserved the right to charge you a daily fee and for reimbursement of our travel and other expenses if you request us travel to your location to evaluate your Protected Territory or a proposed office site.

b. Obtain our approval prior to signing any lease or purchase agreement for the site.

c. Conform the site to applicable building code requirements and our System Standards.

d. Secure all permits and licenses for the site.

e. Obtain our approval prior to the start of any construction or other plans for the site (and any deviations) so that we can ensure that the site's appearance meets the System Standards for Eager Enrichment locations.

f. Obtain our written approval prior to changing your commercial office design or appearance and, at your own expense, maintain and periodically renovate the office interior and exterior as we require to maintain Eager Enrichment design and appearance requirements.

g. Buy or lease and display, at your commercial site (whether attached to a building or free-standing), only signs, emblems, logos, lettering and other materials that comply with our System Standard. We may periodically revise these specifications, and you must comply with these revisions at your own expense.

h. Once we have approved the proposed site of the Premises for your Franchise, you must obtain lawful possession of the Premises through lease or purchase within 30 days of the date of this Agreement. You agree that we may require you to obtain our advanced written approval of your lease's terms. The lease for the Premises must, if we require it, permit us to take possession of the Premises under certain conditions if this Agreement is terminated.

i. Our review and/or approval of your lease terms, or our failure to do so, shall not constitute, nor be deemed, a judgment or guaranty as to the likelihood of success of an Eager Enrichment franchise at such location, or as to the relative desirability of such location in comparison to other locations within the Protected Territory, nor shall it be deemed to make us liable in any way under any such lease.

3.2 **<u>Development of the Franchise</u>**. In addition to any applicable requirements of Section 3.1 above, you agree at your own expense to do the following:

a. secure all financing required to fully develop the Franchise;

b. obtain all required business permits and licenses and any other required permits and licenses;

c. cause all the training requirements of Section 4 to be completed prior to commencing operations, and otherwise have completed or obtained all class preparation items;

d. purchase an opening inventory of products and other supplies and materials prior to commencing operations;

e. provide proof prior to commencing operations, in a form satisfactory to us, that you (and/or your General Manager, as defined in Section 4.1, if any) are legally authorized and have all licenses necessary to perform all of the services to be offered by your Franchise, and that your organizational structure is consistent with all legal requirements;

f. prior to commencing operations, obtain Eager Enrichment stationery, envelopes, and business cards;

g. acquire all required insurance policies as required under Section 10.8 below;

h. do any other acts necessary to open and operate the Franchise in accordance with this Agreement;

i. obtain our approval to open the Franchise for business; and

j. open the Franchise for business.

For purposes of the following paragraph, you must achieve each of the foregoing requirements in this paragraph before your Franchised Business is deemed to be "open." You acknowledge that opening your Franchised Business prior to the satisfaction of all of the above conditions will be seriously detrimental to the financial prospects of your Franchise and will cause irreparable damage to Eager Enrichment's goodwill and reputation. Subject to these conditions, you agree to open your Franchised Business within thirty (30) days after you or your General Manager successfully completes Initial Training (as defined herein).

3.3 **<u>Computer System</u>**.

a. **<u>General Requirements</u>**. You must purchase and use the computer hardware and software system (collectively, the "Computer System") that we periodically designate to operate your Eager Enrichment franchise, including computers, accounting software and client registration software. You must obtain the Computer System, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may be limited to us and/or our affiliates). We may periodically modify the specifications for, and components of, the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease, and/or obtain by license new or modified computer hardware and/or software and obtain service and support for the Computer System. You acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto), and that the cost to you of obtaining the Computer System (or additions or modifications thereto), including software, may not be fully amortizable over the remaining Term of this Agreement. Nonetheless, you agree to incur such costs in connection with obtaining the computer hardware and software comprising the Computer System (or additions or modifications thereto). Within 60 days after you receive notice from us, you must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly.

b. You acknowledge and agree that we may charge you a reasonable fee for (i) installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and/or license to you; and (ii) other Computer System-related maintenance and support services that we or our affiliates provide to you. Without limiting the foregoing, we charge an administrative fee, which is added to the third-party vendor's fee, with respect to the customer registration service platform that you are required to use. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require.

c. You will have sole responsibility for: (i) the acquisition, operation, maintenance, repair and upgrading of your Computer System; (ii) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (iii) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded.

d. Your full implementation of our computer system and software requirements, including our designated billing system, is a crucial part of your Franchised Business's start-up and operation, and you and we agree that the Computer System requirements are a top priority.

e. Eager Enrichment also requires you to maintain a dedicated high-speed internet service or connection or other communication means for remote access and information retrieval by us, as we may specify from time to time in the Operations Manual or otherwise in writing. We will have independent, unlimited access to the information the Computer System generates, stores and tracks, including any information pertaining to your gross revenues and all other information stored by the Computer System.

f. We are not responsible or liable for any actual, alleged, or perceived defects or deficiencies in the Computer System, any components thereof, Service Provider(s), or any required third-party software, or the performance of any of the forgoing.

3.4 **Equipment, Furniture, Fixtures, Furnishings and Signs**. You agree to use in the development and operation of the Franchise only those brands, types, and/or models of equipment, furniture, fixtures, furnishings, and signs we have approved from time to time.

3.5 **Franchise Opening**. You agree not to open the Franchise for business until: (1) all of your obligations under Sections 3.1 through 3.5 of this Section have been fulfilled (including, without limitation, becoming fully active on our designated billing system); (2) we determine that the Franchise has been properly equipped and stocked with materials and supplies in accordance with plans and specifications we have provided or approved; (3) you and any of your Franchise's employees whom we require complete our pre-opening Initial Training (as defined herein) to our satisfaction; (4) the Initial Franchise Fee (as defined herein) and all other amounts due to us have been paid, or payment thereof has been provided for to our satisfaction (in our sole discretion);

(5) you have furnished us with copies of all insurance policies required by Section 10.8 of this Agreement, or have provided us with appropriate alternative evidence of insurance coverage and payment of premiums as we have requested; and (6) we have approved any marketing, advertising, and promotional materials you desire to use, as provided in Section 11.2 of this Agreement.

4. **TRAINING**.

4.1 **General Manager**. You may employ a general manager to operate the Franchise instead of you (the "General Manager"). The term "General Manager" means an individual with primary day-to-day responsibility for the Franchise's operations, and may or may not be you (if you are an individual) or a Principal Owner, officer, director, or employee of yours (if you are other than an individual). We do not require that the General Manager have an equity interest in the Franchise. The General Manager will be obligated to devote his or her full time, best efforts, and constant personal attention to the Franchise's operations, and must have full authority from you to implement the System at the Franchise. You must not hire any General Manager or successor General Manager without first receiving our written approval of such General Manager's qualifications. Each General Manager and successor General Manager must attend and complete our Initial Training (as defined herein) prior to commencing the role of General Manager. No General Manager may have any interest in or business relationship with any business competitor of your franchise. Each General Manager must sign a written agreement, in a form approved by us, to maintain confidential our Confidential Information described in Section 9.1, to abide by non-solicitation and non-disparagement covenants, and to abide by the covenants not to compete described in Section 9.3. We can provide a form for this required written agreement, however, our form is subject to review by your attorney for compliance with all local laws and rules. You must forward to us a copy of each such signed agreement. If we determine, in our sole discretion, during or following completion of the Initial Training program, that your General Manager (if any) is not qualified to act as General Manager of the Franchise, then we have the right to require you to choose (and obtain our approval of) a new individual for that position.

4.2 **Training**. You acknowledge that it is very important to the operation of the Franchise that you and your employees receive appropriate training. To that end, you agree as follows:

a. Within 60 days after you sign the Franchise Agreement, you (if you are an individual) or at least one of your Principal Owners and/or your approved General Manager must complete our initial training program (the "Initial Training") to our satisfaction. If the designated individuals have not completed the initial training program within the stated timeframe, we may terminate your franchise or delay the opening of your Franchise until the training program has been satisfactorily completed by the designated individuals. The Initial Training may include classroom instruction and Franchise operation training, and will be furnished at our training facility, an affiliate, a conference facility, an Eager Enrichment Franchise location we designate, your Franchise location, and/or at another location we designate. There will be no tuition charge for these training programs for up to two (2) of the persons we require to attend, and there is a \$3,500 training fee for each additional attendee. All persons who attend our Initial Training must attend and complete the Initial Training to our satisfaction. If we, in our sole discretion, determine that any General Manager or employee is unable to satisfactorily complete such Initial Training program, then you must not hire that person, and must hire a substitute General Manager or employee (as the case may be), who must enroll in the Initial Training program within 15 days thereafter, and complete the Initial Training to our satisfaction.

b. You agree to have your General Manager (if any) and/or other employees who attend our Initial Training complete additional training programs at places and times as we may request from time to time during the Term of this Agreement.

c. In addition to providing the Initial Training described above, we reserve the right to offer and hold additional ongoing training programs at such times and locations as we may deem necessary or appropriate. We also reserve the right to make any of these training programs mandatory for you and/or designated owners, employees, general managers, and/or representatives of yours. You will be solely responsible for the wages and travel, lodging, and living expenses for each attendee of yours who attends any additional training program or franchise owners meeting offered and held by us. If we offer any such mandatory training programs, then you or your designated personnel must attend a minimum of seventy-five percent (75%) of the programs offered on an annual basis.

d. You agree to pay all wages and compensation owed to, and travel, lodging, meal, transportation, and personal expenses incurred by, all of your personnel who attend our Initial Training and/or any mandatory or optional training we provide.

e. The Franchise's General Manager (if any) and other employees shall obtain all certifications and licenses required by law in order to perform their responsibilities and duties for the Franchise.

5. **GUIDANCE; OPERATIONS MANUAL**.

5.1 **Guidance and Assistance**. During the Term of this Agreement, we will from time to time furnish you guidance and assistance with respect to: (a) specifications, standards, programs and operating procedures used by Eager Enrichment franchises; (b) purchasing approved equipment, materials, supplies and services; (c) development and implementation of local advertising and promotional programs; (d) general operating and management procedures; (e) establishing and conducting employee training programs for your Franchise; and (f) changes in any of the above that occur from time to time. This guidance and assistance may, in our discretion, be furnished in the form of bulletins, written reports and recommendations, operations manuals, video and audio files and other written materials, whether delivered to you directly or made available through internet, website, email or other remote means (the "Operations Manual"), and/or telephone consultations and/or personal consultations at our offices or your Franchise. If you request—and if we agree to provide—any additional, special on-premises training of your personnel or other assistance in operating your Franchise, then you agree to pay a daily training fee in an amount to be set by us, and all expenses we incur in providing such training or assistance, including any wages or compensation owed to, and travel, lodging, transportation, and living expenses incurred by, our Eager Enrichment personnel.

5.2 **Operations Manual.** The Operations Manual we lend to you will contain mandatory and suggested specifications, programs, standards, and operating and management procedures that we prescribe from time to time for your Franchise, as well as information relative to other obligations you have in the operation of the Franchise. The Operations Manual may be composed of or include writings, drawings, photos, audio recordings, video recordings, and/or other written or intangible materials. We may make all or part of the Operations Manual available to you through various means, including the internet. All or any portion of a previously available Operations Manual may be superseded from time to time with replacement materials to reflect changes in the specifications, standards, programs, operating procedures and other obligations in operating the Franchise. You agree that you will monitor and access our website and communications from us for any updates to the Operations Manual.

Any password or other digital identification necessary to access the Operations Manual on a Website, intranet, or extranet will be deemed to be Confidential Information belonging to Eager Enrichment, subject to Article 9 of this Agreement. You must keep your copy of the Operations Manual current, and if you and we have a dispute over the contents of the Manual, then our master copy of the Manual will control.

You agree that you will not at any time copy any part of the Operations Manual, permit it to be copied, disclose it to anyone not having a need to know its contents for purposes of operating your Franchise, or remove it from the Franchise location without our permission. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, then you must obtain a replacement copy for us at our then-applicable charge.

Notwithstanding the forgoing, you are fully responsible for the day-to-day operation of the Franchised Business. While the Operations Manual sets forth our standards for the Franchise, the procedures utilized to implement those standards rest with the Franchisee.

5.3 **Modifications to System**. We will continually be reviewing and analyzing developments relative to the System, and based upon our evaluation of this information, may make changes in the System, including but not limited to adding new components to services and products offered by Eager Enrichment franchises. Moreover, changes in, or interpretations of, laws regulating the services offered by Eager Enrichment franchises may require us to restructure our franchise program or require your General Manager (if any) and employees to obtain additional licenses or certifications. You agree, at our request, to modify the operation of the Franchise to comply with all such changes, and to be solely responsible for all related costs.

5.4 **Advisory Councils**. You may have the option to participate in and become a member of one or more advisory councils or similar organizations we form or organize for Eager Enrichment franchises. We will select the advisory council's members, and we may change or dissolve any advisory council at any time. We anticipate that an advisory council would serve in an advisory capacity, but may grant to the advisory council any operational or decision-making powers that we deem appropriate. These optional advisory councils or groups may have additional costs to you should you decide to participate.

6. **FEES.**

6.1 **Initial Franchise Fee**. You agree to pay us the initial franchise fee (the "Initial Franchise Fee") set forth below when you sign this Agreement. In recognition of the expenses we incur in furnishing assistance and services to you, you agree that we will have fully earned the Initial Franchise Fee, and that is due and non-refundable when you sign this Agreement. The Initial Franchise Fee has two parts:

a. Part 1 is the Franchise Curriculum Fee, which is fixed at $25,000.00 for each Franchise.

b. Part 2 is the Protected Territory Fee, which is equal to (i) $0.25 per household located in the zip code of where your business is physically located, plus (ii) any agreed upon additional contiguous Franchise Protected Territory. Per mutual agreement, additional contiguous Franchise Protected Territory zip codes can be purchased at the time this Agreement is signed.

The rate per household ranges from $0.00 per household to $0.40 per household. The base rate per household is $0.25 based on the latest U.S. Census Bureau United States Median Household Income. The base rate is increased or decreased based on the percentage difference between the median household income in the Franchise Protected Territory zip code, to be purchased, versus the United States Median Household Income. Any zip code with a U.S. Census Bureau Poverty Rate of 20.0% or greater has a rate per household purchase price of $0.00. The number of households in a zip code is based on the most recent U.S. Census Bureau data available at the time you sign this Agreement.

c. The total Initial Franchise Fee (that is, Part 1 plus Part 2) is set forth on Exhibit 1.

d. In paying the Initial Franchise Fee due hereunder, you agree that if Exhibit 1 states that you are signing this Agreement pursuant to your purchase of multiple Franchises, then you shall pay in a lump sum upon signing the first Agreement to which such purchase corresponds the total amount due for the Franchises being purchased pursuant to such transaction.

e. Any deposits previously paid by you will be credited against the Initial Franchise Fee due hereunder.

6.2 **Royalty Fee**. You agree to pay us a Royalty Fee ("Royalty Fee") equal to eight percent (8.0%) of monthly gross revenues (as defined below) based on the Franchise's gross revenues for the preceding month; subject to a minimum monthly Royalty Fee. The Royalty Fee will be payable monthly on the day of the month we specify.

a. The minimum monthly Royalty Fee is calculated as follows: (i) if less than 30,000 households are included in the Protected Territory, the minimum monthly Royalty Fee is $600.00/per month; and (ii) if between 30,000-90,000 households are included in the Protected Territory, the minimum monthly Royalty Fee is $500.00/per month; and (iii) if more than 90,000 households are included in the Protected Territory, the minimum monthly Royalty Fee is $850.00/per month.

b. If you do not report your gross revenues as and when required by us, your Royalty Fee for the affected month will be 120% of the Royalty Fee incurred in the previous month. If the amount of Royalty Fee we charge under this paragraph is less than the actual amount you owe us, we will charge you the additional amount on the day we specify. If the amount of Royalty Fee we charge is greater than the actual amount you owe us, we will credit the excess amount against any amounts you owe us.

c. If you do not pay your Royalty Fee as and when required under this Agreement, you will be in default as set forth in Section 15 below. Payments are considered late if not received by us by the tenth day of each month.

d. The term "gross revenues" shall, for purposes of this Agreement, mean the total of all revenue and receipts derived from the operation of the Franchise, including all amounts received at or away from the site of the Franchise, or through the business the Franchise conducts (such as revenue derived from products sales, whether in cash or by check, credit card, debit card, barter or exchange, or other credit transactions); and excludes only sales taxes collected from customers and paid to the appropriate taxing authority, and any customer refunds and credits the Franchise actually makes. You and we acknowledge and agree that the Royalty Fee represents compensation paid by you to us for the guidance and assistance we provide and for the use of our Marks, Confidential Information (as defined herein), know-how, access to proprietary software and business systems, and other intellectual property we allow you to use under the terms of this Agreement (including, without limitation, copyrighted and proprietary forms and materials).

6.3 **Advertising Costs**. In the future, we may establish programs to provide additional marketing services to franchises, which programs will be optional for franchises. If you choose to use this marketing program, you must agree to pay the fee determined by us. You will only be permitted to use this program if you pay this fee. We reserve the right to change the amount of this fee at any time. If we choose to establish a program in the future, and you choose to purchase this optional program, you agree to comply with all specifications and requirements contained in the Operations Manual concerning this program.

6.4 **Fees Relating to Other Programs.** We, or our affiliates, may offer additional optional services, products or programs in connection with your Franchised Business, subject to an additional fee paid to us or third parties. Additionally, you are required to pay the monthly Technology Fee, defined and discussed in Section 11.4, for certain website and technology-related services and expenses.

6.5 **Electronic Funds Transfer**. We have the right to require you to participate in an electronic funds transfer program under which Royalty Fees, Technology Fees, and any other amounts payable to us or our affiliates are deducted or paid electronically from your bank account (the "Account"). In the event you are required to authorize us to initiate debit entries, you agree to sign all requested forms (including the ACH Agreement attached to this Agreement as Exhibit 5) and make the funds available in the Account for withdrawal by electronic transfer no later than the payment due date. The amount actually transferred from the Account to pay Royalty Fees will be based on the Franchise's gross revenues reported to us. If you have not reported the Franchise's gross revenues for any reporting period, then we will be authorized to debit the Account in an amount equal to 120% of the Royalty Fee for the last reporting period for which a report of the Franchise's gross revenues was provided to us. If at any time we determine that you have under-reported the Franchise's gross revenues or underpaid any Royalty Fee due us under this Agreement, then we will be authorized to initiate immediately a debit to the Account in the appropriate amount, plus applicable interest, in accordance with the foregoing procedure. Any overpayment will be credited, without interest, against the Royalty Fee, Technology Fee, and other amounts we otherwise would debit from your account during the following reporting period. Our use of electronic funds transfers as a method of collecting Royalty Fees and Technology Fees due us does not constitute a waiver of any of your obligations to provide us with monthly reports as provided in Section 12, nor shall it be deemed a waiver of any of the rights and remedies available to us under this Agreement. We reserve the right to require you to pay all amounts due us or our affiliates by ACH or other electronic transfer, company check, certified or cashier's check or wire transfer.

6.6 **Application of Payments; No Set-Off**. When we receive a payment from you, we have the right in our sole discretion to apply it as we see fit to any past due indebtedness of yours due to us or our affiliates, whether for Royalty Fees, Technology Fees, purchases, interest, or for any other reason, regardless of how you may designate a particular payment should be applied. You may not, on grounds of alleged non-performance by Eager Enrichment of its obligations under this Agreement, withhold payment of Royalty Fees and/or any other amounts due to Eager Enrichment and/or its related parties or affiliates.

7. **MARKS; COPYRIGHTED WORKS.**

7.1 **Ownership and Goodwill of Marks.**

a. You acknowledge that your right to use the Marks is derived solely from this Agreement, and is limited to your operation of the Franchise pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures we prescribe from time to time during the Term of the Franchise, including, without limitation, timely payment of the Initial Franchise Fee, Royalty Fees, Technology Fees, and all other sums due to us.

b. You understand and acknowledge that our right to regulate the use of the Marks includes, without limitation, any use of the Marks in any form of electronic media, such as Websites (as defined herein) or web pages, or as a domain name or electronic media identifier.

c. If you make any unauthorized use of the Marks either during or after the Term of this Agreement, it will constitute a breach of this Agreement and an infringement of our rights in and to the Marks.

d. You acknowledge and agree that all your usage of the Marks and any goodwill established by your use will inure exclusively to our benefit and the benefit of our affiliates, and that this Agreement does not confer any goodwill or other interests in the Marks on you (other than the right to operate the Franchise in compliance with this Agreement).

e. All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork, or logos we may authorize and/or license you to use during the Term of this Agreement.

f. Eager Enrichment has invested substantial time, energy, and money in the promotion and protection of its Marks as they exist on the date of this Agreement. However, rights in intangible property such as the Marks are often difficult to establish and defend. In addition, other circumstances, such as changes in the cultural and economic environment within which the System operates, changes in marketing or other strategies, or third-party challenges to Eager Enrichment's rights in the Marks, may make changes in the Marks desirable or necessary. Eager Enrichment therefore reserves the right to change its Marks and the specifications for each when we believe that such changes will benefit the System. You will promptly conform at your own expense, to any such changes. Eager Enrichment need not reimburse you for any loss of revenue due to any modified or discontinued Mark or for your expenses in changing to, or promoting, a modified or substitute trademark or service mark.

7.2 **Limitations on Franchisee's Use of Marks**. You agree to use the Marks as the sole trade identification of the Franchise, except that you will display at the Franchise location a notice, in a form acceptable to us, stating that you are the independent owner of the Franchise pursuant to a Franchise Agreement with us. You agree not to use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos and additional trade and service marks licensed to you under this Agreement), or in any modified form. You also shall not use any Mark, or any commercial symbol similar to the Marks, in connection with the performance or sale of any unauthorized services or products, to promote any business or commercial venture other than the Franchise, or in any other manner we have not expressly authorized in writing. You agree to display the Marks in the manner we prescribe at the Franchise and in connection with advertising and marketing materials, and to use, along with the Marks, any notices of trade and service mark registrations we specify. You further agree to obtain any fictitious or assumed name registrations as may be required under applicable law.

7.3 **Notification of Infringements and Claims**. You agree to immediately notify us in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or similar trade name, trademark, or service mark of which you become aware. You agree not to communicate with anyone except us and our counsel in connection with any such infringement, challenge, or claim. We have the right to exclusively control any litigation or other proceeding arising out of any actual or alleged infringement, challenge, or claim relating to any Mark. You agree to sign any documents, render any assistance, and do any acts that our attorneys say is necessary or advisable in order to protect and maintain our interests in any litigation or proceeding related to the Marks, or to otherwise protect and maintain our interests in the Marks.

7.4 **Discontinuance of Use of Marks**. If it becomes advisable at any time in our sole judgment for the Franchise to modify or discontinue the use of any Mark, or use one or more additional or substitute trade or service marks, including the Marks used as the name of the Franchise, then you agree, at your sole expense, to comply with our directions to modify or otherwise discontinue the use of the Mark, or use one or more additional or substitute trade or service marks, within a reasonable time after our notice to you.

7.5 **Indemnification of Franchisee**. We will indemnify you against, and reimburse you for, (a) all damages for which you are held liable in any judicial or administrative proceeding arising out of your use of any Mark in compliance with this Agreement; and (b) all costs you reasonably incur in defending against any claim brought against you or in any proceeding in which you are named as a party, provided that you have timely notified us of the claim or proceeding, provided us with the opportunity to defend the claim, cooperated with the defense of the claim, and otherwise complied with this Agreement. We may defend any proceeding arising out of your use of any Mark under this Agreement, and have no obligation to indemnify or reimburse you for any attorneys' fees or disbursements you incur if we defend the proceeding.

7.6 **Copyrighted Works; Ownership**.

a. We hereby authorize you to use in the operation of the Franchised Business those certain copyrighted or copyrightable materials which are from time to time owned by us or our affiliates and which we approve and license for use in the operation of the Franchised Business. These copyrighted or copyrightable materials include, but are not limited to, the Operations Manual, training materials, advertising and promotional materials, and other portions of the System, and any translations or paraphrasing of any of the forgoing (collectively, the "Copyrighted Works"). You acknowledge and agree that we or our affiliates own the Copyrighted Works and we may (at our option) further create, acquire, or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of the Franchised Business, all of which shall be deemed to be Copyrighted Works under this Agreement and owned by us or our affiliates. You acknowledge that your right to use the Copyrighted Works is derived solely from this Agreement, and is limited to your operation of the Franchise pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures we prescribe from time to time during the Term of the Franchise, including, without limitation, timely payment of the Initial Franchise Fee, Royalty Fees, Technology Fees, and all other sums due to us.

b. This Agreement does not confer any interest in the Copyrighted Works to you, other than the right to use them in the operation of the Franchised Business in compliance with this Agreement and the System. If we authorize you to prepare any adaptation, translation or work derived from the Copyrighted Works, or if you prepare any Copyrighted Works such as advertisements, manuals, posters, forms, or marketing or promotional material (all of which shall be subject to and in compliance with this Agreement), you agree that such adaptation, translation, derivative work, or Copyrighted Work shall be the sole and exclusive property of us and you hereby assign all your right, title, and interest therein to us. You further agree to execute any documents that we determine are necessary to reflect such ownership and to submit all such adaptations, translations, derivative works and Copyrighted Works to us for prior written approval before use.

c. If you make any unauthorized use of the Copyrighted Works either during or after the Term of this Agreement, it will constitute a breach of this Agreement and an infringement of our rights in and to the Copyrighted Works.

7.7 **Discontinued Use of Copyrighted Works**. If we believe at any time that it is advisable for you or us to modify, discontinue using, and/or replace any of the Copyrighted Works, you agree to comply with our directions within a reasonable time after receiving notice, including using one or more additional or substituted copyrighted or copyrightable items. We shall have no obligation to reimburse you for any expenditures made by you to modify or discontinue the use of any Copyrighted Work or to adopt additional or substitute copyrighted or copyrightable items.

8. **RELATIONSHIP OF THE PARTIES; INDEMNIFICATION**.

8.1 **Independent Contractor; No Fiduciary Relationship**. Both you and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are independent contractors, and that nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose whatsoever. In no event shall we be deemed to be an employer of any of your employees, representatives or agents. You agree to conspicuously identify yourself in all your dealings with customers, suppliers, public officials, Franchise personnel, and others as the owner of an independent Franchise pursuant to a Franchise Agreement with us, and to place any other notices of independent ownership on your forms, business cards, stationery, advertising, and other materials as we may require from time to time.

8.2 **No Liability, No Warranties**. We have not authorized or empowered you to use the Marks or the System except as provided by this Agreement, and you agree not to employ any of the Marks in signing any contract, check, purchase agreement, negotiable instrument or legal obligation, application for any license or permit, or in a manner that may result in liability to us for any indebtedness or obligation of yours. Except as expressly authorized by this Agreement, neither you nor we will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other, or represent that your and our relationship is other than that of franchisor and franchisee.

8.3 **Responsibility for Acts and Omissions; Indemnification.**

a. You acknowledge that you are the sole and independent owner of your Franchised Business, you are and will be in full control thereof, and you will conduct the business solely in accordance with your own judgment and discretion, subject only to the provisions of this

Agreement. As indicated in Section 7.2, you must conspicuously identify yourself, internally and to third parties, as the independent owner of the Franchised Business and as a franchisee of Eager Enrichment, and neither you nor any of your employees should represent to any third parties that you are employees or agents of Eager Enrichment. You agree that as between you and us, you are solely responsible for the effects, outcomes and consequences of your acts and omissions and the acts and omissions of your employees, representatives and agents in connection with or relating to the operation of your Franchised Business.

b. We will not assume any liability or be deemed liable for any agreements, representations, or warranties you make that are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out of the operation of the business you conduct pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act.

c. We will have no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied against you or your assets, or on us, in connection with the business you conduct, or any payments you make to us pursuant to this Agreement (except for our own income taxes).

d. You agree to defend, indemnify and hold harmless us, our affiliates and our and their respective owners, directors, officers, employees, agents, successors, and assigns (individually, an "Indemnified Party," and collectively, the "Indemnified Parties"), from and against any and all claims, lawsuits, demands, actions, causes of action or other events, whether brought by third parties or us, and for all costs and expenses incurred by the Indemnified Party in connection therewith, including without limitation actual and consequential damages reasonable attorneys', accountants', and/or expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, to the extent caused by, relating to or otherwise arising out of (1) the effects, outcomes and consequences of your acts and omissions and the acts and omissions of your employees, representatives and agents in connection with or relating to the operation of your Franchised Business, (2) any agreements, representations, or warranties you make to third parties that are not expressly authorized under this Agreement, (3) any damages to any person or property directly or indirectly arising out of the operation of your Franchised Business, whether or not caused by your negligent or willful action or failure to act, (4) any sales, use, excise, income, gross receipts, property, or other taxes levied against you or your assets, or on us, in connection with the business you conduct, or any payments you make to us pursuant to this Agreement (except for our own income taxes), (5) our actions taken relating to the enforcement of this Agreement, and/or (6) your breach of any provision of this Agreement.

e. The allocation of responsibility and your indemnification obligations described above will survive and continue in full force and effect after, and notwithstanding, the expiration, renewal or termination of this Agreement.

9. **CONFIDENTIAL INFORMATION; NON-COMPETITION; OTHER COVENANTS**.

9.1 **Types of Confidential Information**. We possess certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, know how, techniques, products, services and knowledge developed by us, including but not limited to: (a) knowledge of sales and profit performance of any one or more Eager Enrichment franchises; (b) curriculum and instructional materials used by Eager Enrichment franchises;

(c) advertising and promotional programs and image and decor; (d) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of Eager Enrichment franchises; (e) copyrighted or copyrightable materials, including, without limitation, office forms and procedures, training, promotional, and marketing materials and the content of the Operations Manual and other works of authorship under or in connection with the operation of the System; and (f) the methods of training employees. We will disclose much of the above-described information to you in advising you about site selection, providing our Initial Training, providing access to the Operations Manual, and providing guidance and assistance to you under this Agreement. (All of such information disclosed to or developed by you will be referred to in this Agreement as our "Confidential Information".)

9.2 **Non-Disclosure Agreement**.

a. You agree that your relationship with us does not vest in you any interest in the Confidential Information, other than the right to use it solely in the development and operation of the Franchise during the Term of this Agreement, and that the use or duplication of the Confidential Information in any other business or for any other purpose would constitute an unfair method of competition or otherwise result in irreparable damage to us.

b. You acknowledge and agree that the Confidential Information belongs to us, may contain trade secrets belonging to us, and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you and your Principal Owners (1) will not use, directly or indirectly, the Confidential Information in any business or capacity or for any purpose other than as needed in the development and operation of the Franchise during the Term of this Agreement; (2) will maintain the absolute confidentiality of the Confidential Information during and after the Term of this Agreement and not directly or indirectly publish or otherwise disclose it to any third party; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form or another form or media that may be copied or duplicated; and (4) will adopt and implement all reasonable procedures, including any that we may prescribe from time to time, to prevent unauthorized use or disclosure of the Confidential Information, including without limitation restrictions on disclosure to or by your employees, and the use of non-disclosure, non-solicitation, non-disparagement and non-competition agreements we may prescribe or approve for your shareholders, partners, members, officers, directors, employees, independent contractors, or agents who may have access to the Confidential Information. You acknowledge and agree that we are under no duty or obligation to you to enforce any such Agreements for your or our benefit. Your duties and obligations with respect to Confidential Information shall survive the Transfer, termination or expiration of this Agreement.

c. If you conceive of or develop any improvements or additions to the marketing, method of operation, now or other Confidential Information, or the services or products offered by an Eager Enrichment franchise (collectively, “Improvements”), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval prior to using any such Improvements. Any Improvement that we approve may be used by us and any third parties that we authorize to operate a franchise, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses, and such Improvements will be deemed to be part of the Confidential Information.

9.3 **<u>Non-Competition Agreement and Other Restrictive Covenants</u>**.

a. <u>Non-Competition.</u> You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure, and would be unable to encourage a free exchange of ideas and information among Eager Enrichment franchises, if franchise owners of Eager Enrichment franchises were permitted to hold interests in any competitive businesses (as described below). Therefore, during the Term of this Agreement, neither you, nor any Principal Owner, nor any of your General Managers (during the time of his or her employment with you), shall directly or indirectly perform services for, or have any direct or indirect interest as an owner, investor, partner, director, officer, employee, manager, consultant, representative, or agent in, any business that offers "Competitive Services"; provided, however, that the ownership of one percent (1%) or less of a publicly traded company will not be deemed to be prohibited by this Section. This covenant shall remain binding on you and your Principal Owners for a period of two (2) years following any Transfer, termination or expiration of this Agreement, except that it shall then be limited to business offering Competitive Services from a location that is located within 25 miles of the Franchised Business Premises or any other Eager Enrichment franchise. For purposes hereof, the term Competitive Services means: (i) offering children's education, enrichment and entertainment-based products, services and curricula the fields of art, drawing, painting, engineering, architecture and sewing instruction or similar creative services via in-person programs or video or other internet-based media; and/or (ii) offering or selling products or services that are the same as or similar to products and services offered by your or other Eager Enrichment franchises, either in person or via in-person programs or video or other internet-based media.

b. <u>Non-Disparagement.</u> You agree that during the Term of this Agreement, and thereafter following any Transfer, termination or expiration of this Agreement, neither you, nor any Principal Owner, will directly or indirectly make any negative or critical statements to any third parties, either verbally or in any other form or media, about (a) us, the Franchise, any of our franchisees, or any of their respective products, services, businesses or business practices, or (b) the actions, operations or character of any of our or their respective owners, officers, directors, employees, consultants or agents.

c. <u>Non-Solicitation.</u> You agree that during the Term of this Agreement, and thereafter for a period of two (2) years following any Transfer, termination or expiration of this Agreement, neither you, nor any Principal Owner, will directly or indirectly interfere with our relationship with any of our franchisees, employees, vendors, suppliers or referral sources.

d. <u>General Managers to Sign Agreement.</u> You further agree that you will cause each General Manager to enter into and deliver to us a Restrictive Covenant Agreement in such form as we may approve, either concurrently with the execution of this Agreement or at such later date when the affiliation of such person with you is established, which will incorporate the non-disclosure and other restrictive covenants set forth in Sections 9.2 and 9.3. You acknowledge and agree that we are under no duty or obligation to you to enforce any such Agreements for your or our benefit. The duties and obligations imposed in the Restrictive Covenant Agreement shall survive the Transfer, expiration or earlier termination of this Agreement.

e. <u>Covenants are Reasonable and Necessary.</u> It is the express intention of the parties hereto to comply with all laws which may be applicable to this Agreement. You acknowledge and agree that a breach of any provision of this Section 9.3 would cause immediate and irreparable harm to us. Therefore, you acknowledge and agree that the foregoing restraints are fair and reasonable, are required for the protection of our legitimate business interests, and do not impose any undue hardship on you.

10. **EAGER ENRICHMENT FRANCHISE OPERATING STANDARDS**.

10.1 **Condition and Appearance of the Premises**. You agree that if the Franchised Business is not home-based:

a. the Premises will not be used for any purpose other than the operation of the Franchise in compliance with this Agreement;

b. you will maintain the condition and appearance of the Premises in accordance with our standards and consistent with the image of a Eager Enrichment franchise as an efficiently operated business offering high quality services, and in that connection will take, without limitation, the following actions during the Term of this Agreement: (1) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at reasonable intervals; (2) interior and exterior repair of the Premises; and (3) repair or replacement of damaged, worn out or obsolete equipment, furniture, furnishings and signs;

c. you will not make any material alterations to the Premises or the appearance of the Franchise, as originally developed, without our advance written approval. If you do so, we have the right, at our option and at your expense, to rectify alterations we have not previously approved;

d. on notice from us, you will engage in remodeling, expansion, redecorating and/or refurnishing of the Premises to reflect changes in the operations of Eager Enrichment franchises that we prescribe and require of new franchisees;

e. you will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve; and

f. if at any time in our reasonable judgment, the general state of repair, appearance, or cleanliness of the Premises do not meet our standards, then we shall have the right to notify you specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within 10 days after receipt of our notice, and then continue in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, then we shall have the right, in addition to all other remedies available to us at law or under this Agreement, to enter the Premises or the Franchise and perform any required maintenance or refurbishing on your behalf, and you agree to reimburse us for all costs we incur on demand.

10.2 **Franchise Services and Products**. You agree that (a) the Franchise will offer for sale all the types of services and products that we from time to time specify for franchises; (b) you will not offer for sale or sell any services or products we have not approved; (c) all products will be offered at retail and within your Protected Territory, and you will not offer or sell any products at wholesale; and (d) you will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove or discontinue. You agree to maintain an inventory of approved products sufficient in quantity and variety to realize the full potential of the Franchise. We may, from time to time, conduct market research and testing to determine consumer trends and the salability of new services and products. You agree to cooperate by participating in our market research programs, test marketing new services and products in the Franchised Business, and providing us with timely reports and other relevant information regarding such market research. In connection with any such test marketing, you agree to offer a reasonable quantity of the products or services being tested, and effectively promote and make a reasonable effort to sell them.

10.3 **Approved Products, Distributors and Suppliers**. We have developed or may develop various unique products or services, including our curriculum and program offerings. We have approved, and will continue to periodically approve, specifications for suppliers and distributors (which may include us and/or our affiliates) for products or services required to be purchased by, or offered and sold by, Eager Enrichment franchises, that meet our standards and requirements, including without limitation standards and requirements relating to product quality, prices, consistency, reliability, and customer relations. You agree that the Franchised Business will: (1) purchase any required products or services in such quantities as we designate; (2) utilize such formats, formulae, and packaging for products as we prescribe; and (3) purchase all designated products and services only from distributors and other suppliers we have approved.

We may approve a single distributor or other supplier (collectively "supplier") for any product or service, and may approve a supplier only as to certain products or services. We may concentrate purchases with one or more suppliers to obtain lower prices or the best advertising support or services for any group of Eager Enrichment franchises franchised or operated by us. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), or other criteria, and may be temporary, pending our continued evaluation of the supplier from time to time.

If you would like to purchase any items from any unapproved supplier, then you must submit to us a written request for approval of the proposed supplier. We have the right to inspect the proposed supplier's facilities, and require that product samples from the proposed supplier be delivered, at our option, either directly to us, or to any independent, certified laboratory that we may designate, for testing. We may charge you a supplier evaluation fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier, and revoke our approval if the supplier does not continue to meet any of our criteria.

We and/or our affiliates may be an approved supplier of certain products or services to be purchased by you for use and/or sale by the Franchised Business. We and our affiliates reserve the right to charge any licensed manufacturer engaged by us or our affiliates a royalty to manufacture products for us or our affiliates, or to receive commissions or rebates from vendors that supply goods or services to you. We or our affiliates may also derive income from our sale of products or services to you, and may sell these items at prices exceeding our or their costs in order to make a profit on the sale.

10.4 **Hours of Operation**. You agree to operate the Franchised Business during such times and hours as we may prescribe from time to time in our Operations Manual. You further agree that day-to-day operational decisions relating to the opening and closing procedures of the Franchised Business, including background checks, staffing and other similar matters, shall be made solely by you.

10.5 **Specifications, Standards and Procedures**. You agree to comply with all mandatory specifications, programs, standards, and operating and management procedures relating to the safety and operation of the Franchised Business (the "Standards"). Any mandatory specifications, programs, standards, and operating and management procedures that we prescribe from time to time in the Operations Manual, or otherwise communicate to you in writing, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to "this Agreement," the "Operations Manual" or the "Standards" include all such mandatory specifications, programs, standards, and operating and management procedures.

10.6 **Compliance with Laws and Good Business Practices**.

a. You agree to secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Franchised Business. You also agree to operate the Franchised Business in full compliance with all applicable laws, ordinances, and regulations, including without limitation all government regulations relating to worker's compensation insurance, advertising, unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes, and sales taxes and any rules imposed by classroom sites, owners or operators.

b. Under applicable federal law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Order"), you are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism as defined in the Order. Accordingly, you represent to us that you do not, and hereafter will not, engage in any acts of terrorism or terrorist activity. In addition, you represent to us that you are not affiliated with and/or do not support any individual or entity engaged in, contemplating, or supporting any acts of terrorism or terrorist activity. Further, you represent to us that you are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

c. All advertising you employ must be completely factual, in good taste (in our judgment), and conform to the highest standards of ethical advertising and all legal requirements. You agree that in all dealings with us, your customers, your suppliers, and school and public officials, you will adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You further agree to refrain from any business or advertising practice that may be harmful to the business of Eager Enrichment, the Franchised Business, and/or the goodwill associated with the Marks and other Eager Enrichment franchises.

d. You must notify us in writing within 5 days of (1) the commencement of any action, suit, or proceeding, and/or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental unit, that may adversely affect your and/or the Franchised Business's operation, financial condition, or reputation, including, without limitation, any and all claims of bodily injury brought against you or any of your employees, independent contractors or owners, regardless of the nature of the claim, anticipated outcome or remedies sought; and/or (2) your receipt or knowledge any notice of violation of any law, ordinance, or regulation relating to health or safety.

10.7 **Management and Personnel of the Franchised Business.**

a. Unless you employ a General Manager that we approve to operate the Franchised Business as provided in Section 4.1, you must actively participate in the actual, on-site, day-to-day operation of the Franchised Business, and devote as much of your time as is reasonably necessary for the efficient operation of the Franchised Business. If you employ a General Manager in accordance with Section 4.1, then the General Manager must fulfill this requirement.

b. Any General Manager must obtain all licenses and certifications required by law before assuming his or her responsibilities at the Franchised Business.

c. You must ensure that your employees and independent contractors of the Franchised Business have any licenses as may be required by law, and hold or are pursuing any licenses, certifications, and/or degrees required by law or by us in the Operations Manual, as updated from time to time.

d. You will be exclusively responsible for the terms of your employees' and independent contractors' employment and compensation, and for the proper training of your employees and independent contractors in the operation of the Franchise, all hiring, retention and firing decisions, and for all other employment practices utilized in the operation of the Franchise. You must notify and communicate clearly with your employees in all dealings (including, without limitation, your written and electronic correspondence, paychecks, and other materials) that Franchisee (and only Franchisee) is their employer and that Eager Enrichment is not their employer.

e. You must establish any training programs for your employees and/or independent contractors that we may prescribe in writing from time to time. We may require you to enroll in and maintain a human resources and payroll services provided by the vendor we designate for such services, including the payment of any fees and execution of any agreement required by such vendor. The required services may consist of payroll processing, payroll tax filing, human resource solutions, benefits administration services, hiring and employee onboarding.

f. You must require all employees and independent contractors to maintain a neat and clean appearance, and conform to the standards of dress that we specify in the Operations Manual, as updated from time to time.

g. All of your employees and independent contractors must render prompt, efficient and courteous service to all customers of the Franchise.

10.8 **<u>Insurance.</u>**

a. Before you open the Franchise and during any Term of this Agreement, you must maintain in force, under policies of insurance issued by carriers in good standing in the state where your Franchised Business is located: (1) comprehensive commercial general liability and motor vehicle liability insurance containing minimum liability coverage of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate, (2) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by law, and (3) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements. We may periodically increase or decrease the amounts of coverage required under these insurance policies, and/or require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. In addition to the foregoing required policies of insurance, we highly recommend that you obtain property damage, business interruption, employment practices, cyber liability and electronic data loss insurance coverage. You agree that compliance with any state minimum insurance requirements does not relieve you from the obligation to comply with the contractual insurance requirements in this Agreement.

b. Your commercial general liability insurance policy must be an "occurrence" policy. If any policy is written on a "Claims Made" basis, you must purchase and maintain unlimited tail coverage that shall remain in effect following the termination or expiration of this Agreement and/or such policy.

c. You must provide us with 30 days' advance written notice of any material modification, cancellation, or expiration of any policy.

c. Deductibles must be in reasonable amounts, and are subject to review and written approval by us.

d. Your commercial general liability insurance policy must be an "occurrence" policy and must name us (and, if we so request, our members, directors, employees, agents, and affiliates) as an additional insured.

e. You must provide us with (i) certificates and copies of additional insured endorsements evidencing the existence of such insurance concurrently with execution of this Agreement and prior to each subsequent renewal date of each insurance policy, and (ii) upon our request stating the reason therefor (such as a claim has been filed against us), copies of the insurance policies, along with all applicable endorsements. Prior to the expiration of the term of each insurance policy, you must furnish us with appropriate certificates of insurance evidencing the renewal or replacement insurance policy and additional insured endorsements.

f. If you at any time fail or refuse to maintain any insurance coverage required by us or to furnish satisfactory evidence thereof, then we, at our option and in addition to our other rights and remedies under this Agreement, may, but need not, obtain such insurance coverage on your behalf, and you shall reimburse us on demand for any costs or premiums paid or incurred by us.

g. Notwithstanding the existence of such insurance, you are and will be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the operation of the Franchise, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom; and you agree to defend, indemnify and hold us harmless of, from, and with respect to any such claims, loss or damage, which indemnity shall survive the termination or expiration and non-renewal of this Agreement.

h. In addition to the requirements of the foregoing paragraphs of this Section 10.8, you must maintain any and all insurance coverage in such amounts and under such terms and conditions as may be required in connection with your lease or purchase of the Premises.

i. The insurance Eager Enrichment requires is for its own protection. You should consult with your own insurance agents, brokers, and attorneys to determine what types of coverages and what level of insurance protection you may need or desire, in addition to the coverages and minimum limits specified by Eager Enrichment. Your obligation to maintain insurance coverage as described in this Agreement will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Agreement.

10.9 **Credit Cards and Other Methods of Payment**. You must at all times have arrangements in existence with Visa, Master Card, and any other credit and debit card issuers or sponsors, check verification services, and electronic fund transfer systems that we designate from time to time, in order that the Franchise may accept customers' credit and debit cards, checks, and other methods of payment. We may require you to obtain such services through us or our affiliates or designated third parties.

11. **ADVERTISING**.

11.1 **By Eager Enrichment**. We do not intend to create any mandatory advertising funds for our franchises to carry out any national, regional and local advertising and promotional programs. In the future, we may establish optional programs to provide additional marketing services to Franchises. If you choose to use any optional marketing program, you must agree to pay the fee determined by us.

a. Eager Enrichment will be entitled to direct any such advertising programs, with sole discretion over (a) the creative concepts, materials, endorsements and media used therein, and (b) the geographic, market, and media placement and allocation of the programs. Eager Enrichment shall have the right to determine, in its sole discretion, the composition of all geographic territories and market areas for the development and implementation of such programs. As available, we will provide you with digital or hard copies of our marketing materials. We may, at our discretion, charge you for hard or digital copies of these marketing materials.

b. You understand and acknowledge that any such advertising programs will be intended to maximize recognition of the Marks and the goodwill and patronage of Eager Enrichment franchises in general. We undertake no obligation in developing, implementing, or administering advertising or promotional programs to ensure that expenditures in or affecting any geographic area are proportionate to the Eager Enrichment franchises operating in that geographic area, or that any Eager Enrichment franchise will benefit directly or in proportion to its Royalty Fee payments from the development of advertising and marketing materials or the placement of advertising.

c. In addition to any such advertising programs, we may establish a program in the future to provide additional marketing services to franchises. We may also offer franchises the opportunity to participate in marketing promotions that we will provide directly to the Franchise's customers via email, telephone, mail, social media or other means.

11.2 **By Franchisee.**

a. You agree to list and advertise the Franchise in each of the classified telephone directories distributed within your market area, and with such internet-based directories as we may specify, in those business classifications as we prescribe from time to time, using any standard form of classified telephone directory advertisement we may provide.

b. On each occasion before you use them, samples of all local advertising and promotional materials not prepared or previously approved by us must be submitted to us for approval. If you do not receive our written disapproval within 15 days from the date we receive the materials, the materials will be deemed to have been approved. You agree not to use any advertising or promotional materials that we have disapproved.

c. You irrevocably consent to the use of your name and likeness, including voice and image, by us and its respective affiliates, successors and assigns, for all commercial purposes, including advertising and promotion, in any media, throughout the world in perpetuity, including but not limited to, on the internet.

11.3 **Local and Regional Advertising Cooperatives**. You are not required to participate in any local or regional advertising cooperative. We currently have no local or regional advertising cooperatives, but reserve the right to establish one or more in the future.

11.4 **Websites.**

a. You acknowledge and agree that any Website (as defined below) will be deemed "advertising" under this Agreement, and will be subject to, among other things, the need to obtain our prior written approval in accordance with Sections 7.2 and 11.2. As used in this 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 Franchise, the Marks, us, and/or the System. In connection with any Website, you agree to the following:

(1) Before establishing any Website, you will submit to us a sample of the Website format and information in the form and manner we may require.

(2) You will not establish or use any Website without our prior written approval. You will not develop, maintain, or authorize any other Website, other online presence, or other electronic medium that mentions or describes the Franchised Business, or displays any of the Marks without our prior written approval.

(3) In addition to any other applicable requirements, you will comply with our standards and specifications for Websites as we prescribe in the Operations Manual or otherwise in writing. If we require, you will establish your Website as part of our Website and/or establish electronic links to our Website.

(4) If you propose any material revision to the Website or any of the information contained in the Website, you will submit each such revision to us for our prior written approval.

b. We reserve the right to require you to use on an exclusive basis a Website controlled by us and to require you to use search engine optimization services. Further, we may establish a Website or a series of Websites, including social media accounts, for our System and franchises (collectively, the "System Website"). If we include information about the Franchised Business on the System Website, you agree to give us the information and materials that we may periodically request concerning the Franchised Business, and to otherwise participate in the System Website in the manner that we may periodically require. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate, not misleading, and do not infringe on any third party's rights. We own all intellectual property and other rights in the System Website and all information it contains. We may implement and periodically modify standards relating to the System Website and, at our option, may discontinue the System Website at any time. If we establish a System Website, all advertising, marketing, and promotional materials that you develop for your Franchised Business must contain the domain name of, or other link to, the System Website in the manner that we may periodically designate.

c. We may contract with third parties to provide Website design, maintenance, hosting, and search engine optimization for our franchises and for the System Website, and certain technology-related annual conference expenses. If we do engage third parties to provide such services, you are required to use all of these services and are required to pay us a monthly fee, in an amount to be determined by us from time to time, for these services (the "Technology Fee"). We will pay the third-party providers directly. The amount you pay us may be less or more than the amount we pay to the third-party providers, and may be used to offset internal costs related to the stated purposes of the Technology Fee.

d. In addition to the foregoing, you will be required to pay a third party provider a fee of $250.00-$500.00 for the creation of your initial Website.

12. **ACCOUNTING, REPORTS AND FINANCIAL STATEMENTS**.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and record keeping system conforming to the requirements, systems and formats, if any, which we prescribe from time to time. These systems may include the capability of being polled by our computer system or a third-party designee, which you agree to permit. With respect to the operation and financial condition of the Franchise, you agree to furnish us in the form we prescribe from time to time: (1) if we request it, by the day of each month that we may specify, an electronic report of the Franchise's gross revenues for the preceding month; (2) by the day of each month that we may specify, a written report of the Franchise's gross revenues for the preceding month, and any other data, information, and supporting records that we may require; (3) by the day of each month that we may specify, a profit and loss statement for the preceding calendar month, and a year-to-date profit and loss statement and balance sheet; (4) within 90 days after the end of your fiscal year, a fiscal year-end balance sheet, and an annual profit and loss statement for that fiscal year, reflecting all year-end adjustments; and (5) such other reports as we prescribe from time to time. You must specify and sign each report and financial statement required by this Section in the manner we prescribe. You agree to maintain and furnish upon our request complete copies of federal and state income tax returns you file with the Internal Revenue Service and state tax departments, reflecting revenues and income of the Franchise or the corporation, partnership, or limited liability company that holds the Franchise. We reserve the right to require you to have audited or reviewed financial statements prepared by a certified public accountant on an annual basis.

13. **INSPECTIONS AND AUDITS**.

13.1 **Eager Enrichment's Right to Inspect the Franchise**. To determine whether you and the Franchise are complying with this Agreement and the specifications, programs, standards, and operating procedures we prescribe for the operation of the Franchise, we or our agents, such as a "mystery shopper" service, have the right, at any reasonable time and without advance notice to you, to: (1) inspect the Premises; (2) observe the operations of the Franchise for such consecutive or intermittent periods as we deem necessary; (3) interview personnel of the Franchise; (4) interview customers of the Franchise; and (5) inspect and copy any books, referral sources, marketing and advertising, records and documents relating to the operation of the Franchise, including, without limitation, those required to be maintained and/or furnished under Section 12 above. You agree that we or our agents may record telephone calls placed to your Franchised Business. You agree to fully cooperate with us in connection with any of those inspections, observations and interviews and must promptly correct any deficiencies in the operation of your Franchise of which we advise you. You agree to present to your customers any evaluation forms we periodically prescribe, and agree to participate in, and/or request that your customers participate in, any surveys performed by or on our behalf.

13.2 **Eager Enrichment's Right to Audit**. We have the right at any time during business hours, and without advance notice to you, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, sales and income tax records and returns and other records of the Franchise, and the books and records of any corporation, limited liability company, or partnership that holds the Franchise. You agree to fully cooperate with our representatives, agents and any independent accountants we may hire to conduct any inspection or audit, and to pay upon demand any underpayment found to have occurred, plus interest at the past due payment rate set forth earlier in this Agreement. You agree to supply us or our representatives with true, accurate and complete copies of requested documents within 20 days of the date of the request. If the inspection or audit is necessary because of your failure to furnish any reports, supporting records, other information or financial statements as required by this Agreement, or to furnish such reports, records, information, or financial statements on a timely basis, or if an understatement of gross revenues for any period is determined by an audit or inspection to be greater than two percent (2%), then you agree to reimburse us for the cost of such inspection or audit, including without limitation any attorneys' fees and/or accountants' fees we may incur, and the travel expenses, room and board, and applicable per diem charges for our employees. If an understatement of gross revenues for any period is determined by an audit or inspection to be greater than five percent (5%), then, in addition to any other remedies we may have, we may immediately terminate this Agreement upon notice to you, without any right to cure (see Section 15.1). The above remedies are in addition to all our other remedies and rights under this Agreement or under applicable law.

14. **TRANSFER REQUIREMENTS**.

14.1 **Organization**. If you are a corporation, partnership, limited liability company or other legal entity (or if this Agreement is assigned to a corporation, partnership, limited liability company or other legal entity with our approval), you represent and warrant to us that you are and will continue to be throughout the Term of this Agreement, duly organized and validly existing in good standing under the laws of the state of your incorporation, registration or organization, that you are qualified to do business and will continue to be qualified to do business throughout the Term of this Agreement in all states in which you are required to qualify, that you have the authority to execute, deliver and carry out all of the terms of this Agreement, and that during the Term of this Agreement the only business you (i.e., the corporate, partnership or limited liability entity) will conduct will be the development, ownership and operation of the Franchise.

14.2 **Interests in Franchisee; Reference to Exhibit 2**. You and each Principal Owner represent, warrant and agree that all "Interests" in Franchisee are owned in the amount and manner described in Exhibit 2. No Interests in Franchisee will, during the Term of this Agreement, be "public" securities (i.e., securities that require, for their issuance, registration with any state or federal authority). (An "Interest" is defined to mean any shares, stock, units, membership interests, or partnership interests of Franchisee and any other equitable or legal right in any of Franchisee's stock, revenues, profits, rights or assets. When referring to Franchisee's rights or assets, an "Interest" means this Agreement, Franchisee's rights under and interest in this Agreement, any Eager Enrichment Franchise, and the revenues, profits or assets of any Eager Enrichment Franchise.) You and each Principal Owner also represent, warrant, and agree that no Principal Owner's Interest has been given as security for any obligation (i.e., no one has a lien on or security interest in a Principal Owner's Interest), and that no change will be made in the ownership of an Interest other than as expressly permitted by this Agreement or as we may otherwise approve in writing. You and each Principal Owner agree to furnish us with such evidence as we may request from time to time to assure ourselves that the Interests of Franchisee and each of your Principal Owners remain as permitted by this Agreement, including a list of all persons or entities owning any Interest, as defined above.

14.3 **Transfer by Eager Enrichment**. You represent that you have not signed this Agreement in reliance on any owner, officer, or employee of Eager Enrichment remaining with us in that capacity. We may change our ownership or form at any time in our sole discretion. This Agreement is fully transferable by us, without restriction, and will inure to the benefit of any person or entity to whom it is transferred, or to any other legal successor to our interests in this Agreement. After our assignment of this Agreement to a third party who expressly assumes our obligations under this Agreement, we no longer will have any performance or other obligations or liabilities under this Agreement.

14.4 **No Transfer Without Approval**.

a. You understand and acknowledge that the rights and duties created by this Agreement are personal to you and that we have entered into this Agreement in reliance on the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of you and your Principal Owners. Accordingly, if you Transfer or attempt to Transfer either this Agreement or any part of your interest in it, or any Interest of Franchisee or a Principal Owner, without our advance written approval, you will have breached this Agreement and we will have the right to terminate this Agreement under the terms of Article 15 below. In addition, any attempted Transfer by you of this Agreement or any part of your Interest in it, without our prior consent, is null and void.

b. As used in this Agreement the term "Transfer" means any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest, or occurrence of any other event which would or might change the ownership of any Interest, and includes, without limitation: (1) the Transfer of ownership of capital stock, units, membership interests, partnership interests or other ownership interests; (2) merger or consolidation, or issuance of additional securities representing an ownership interest in Franchisee; (3) sale or issuance of capital stock, units, membership interests, partnership interests or other ownership interests; (4) Transfer of an Interest in a divorce proceeding or otherwise by operation of law; (5) Transfer or all, or substantially all, of the operating assets of the Franchised Business; or (6) Transfer of an Interest by will, declaration of or transfer in trust (other than an assignment to a fully-revocable trust solely for the benefit of one or more Principal Owners), or under the laws of intestate succession.

c. We will not unreasonably withhold consent to a Transfer of an Interest by a Principal Owner to a member of his or her immediate family or to one or more of your key employees, so long as all Principal Owners together retain a "controlling Interest" (i.e., the minimum ownership percentage listed in Exhibit 2), although we reserve the right to impose reasonable conditions on the Transfer as a requirement for our consent.

d. Interests owned by persons other than the Principal Owners ("minority owners") may be Transferred without our advance consent unless the Transfer would give that transferee and any person or group of persons affiliated or having a common interest with the transferee more than a collective twenty-five percent (25%) Interest in Franchisee, in which case our advance written approval for the Transfer must be obtained. In the event of any minority owner transfer, you will promptly notify us of the change in ownership or Interests. Your formal partnership, corporation, LLC or other formation documents and all stock, partnership, unit or other certificates or other evidence of ownership must recite or bear a legend reflecting the transfer restrictions of this Section 14.4.

e. If you propose to Transfer this Agreement, the Franchise or its assets, or any Interest, or if any of your Principal Owners proposes to Transfer a controlling Interest in you or make a Transfer that is one of a series of Transfers which taken together would constitute the Transfer of a controlling Interest in you, then you must apply to us for approval of such Transfer sign such forms and procedures as we have in effect at that time, the person or entity to whom you wish to make the Transfer ("Proposed New Owner") must apply to us for acceptance as a franchisee, and you must submit to us all of the information and documentation required for us to evaluate the proposed Transfer and to confirm that all of the conditions set forth in Section 14.5 below have been, or will be, satisfied.

14.5 **Conditions for Approval of Transfer**. If you and your Principal Owners are in full compliance with this Agreement, both monetary and otherwise, we will not unreasonably withhold our approval of a Transfer that meets all the applicable requirements of this Section 14, including the Right of First Refusal provisions in Section 14.8 below. The Proposed New Owner must be of good moral character and otherwise meet our then applicable standards for Eager Enrichment franchisees. For any proposed Transfer, all of the following conditions must be met before or at the time of the Transfer:

a. in our belief and judgment, the Proposed New Owner must have sufficient business experience, aptitude, and financial resources to operate the Franchise;

b. you must pay any amounts owed for purchases from us and our affiliates, and any other amounts owed to us or our affiliates which are unpaid, including any Initial Franchisee Fee, Royalty Fees, and Technology Fees;

c. the Proposed New Owner's personnel as we may designate must have successfully completed our Initial Training program and shall be legally authorized to perform the services offered by the Franchise. The Proposed New Owner shall be responsible for any wages and compensation owed to, and the travel and living expenses (including all transportation costs, room, board and meals) incurred by, the attendees who attend the Initial Training program;

d. if your lease for the Premises requires it, the lessor must have consented to the assignment of the lease of the Premises to the Proposed New Owner;

e. you must pay us a non-refundable Transfer fee in the amount of $5,000.00 concurrently with the execution of the Transfer Agreement, described in Section 14.5 (f) below, and you must reimburse us for any reasonable expenses incurred by us in investigating and processing any Proposed New Owner where the Transfer is not consummated for any reason;

f. you and your Principal Owners must execute a Transfer Agreement, which will include (i) a general release (in a form satisfactory to us) of any and all claims you and/or they may have against us, our affiliates, and our and our affiliates' respective officers, directors, employees, and agents, and (ii) acknowledgment that the restrictive covenants set forth in Article 9 of this Agreement will survive the Transfer to the extent set forth therein;

g. we must approve the material terms and conditions of the proposed Transfer, including without limitation that the price and terms of payment are not so burdensome as to adversely affect the operation of the Franchise;

h. the Premises (if applicable) shall have been placed in an attractive, neat and sanitary condition.

i. you and your Principal Owners must enter into an agreement with us providing that all obligations of the Proposed New Owner to make installment payments of the purchase price (and any interest on it) to you or your Principal Owners will be subordinate to the obligations of the Proposed New Owner to pay any amounts payable under this Agreement or any new Franchise Agreement that we may require the Proposed New Owner to sign in connection with the Transfer, and containing a general release of any claims that you may have against us.

j. Upon receiving our consent for the Transfer or sale of the Franchise, the Proposed New Owner shall agree to assume all of your obligations under this Agreement in a form acceptable to us, and/or, at our option, shall agree to execute a new Franchise Agreement with us in the form then being used by us.

14.6 **Death and Disability**. Upon the death or permanent disability of you or a Principal Owner, the executor, administrator, conservator or other personal representative of the deceased or disabled person must Transfer the deceased or disabled person's Interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person we have approved. Such Transfers, including without limitation transfers by a will or inheritance, will be subject to all the terms and conditions for assignments and Transfers contained in this Agreement. Failure to so dispose of an Interest within the 12 month period of time will constitute grounds for termination of this Agreement.

14.7 **Effect of Consent to Transfer**. Our consent to a proposed Transfer pursuant to this Section 14 will not constitute a waiver of any claims we may have against you or any Principal Owner, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of this Agreement by the Proposed New Owner. Unless otherwise specified in writing, you will be subject to all post-Transfer/post-termination obligations set forth in this Agreement.

14.8 **Our Right of First Refusal**. If you or a Principal Owner desires to engage in a Transfer, you or the Principal Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the Interest for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the Principal Owner, as applicable, must sell the interest to us. We will have at least an additional 30 days to prepare for closing. We will be entitled to receive from you or the Principal Owner, as applicable, all customary representations and warranties given by you as the seller of the Interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Principal Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 14.5 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section.

15. **TERMINATION OF THE FRANCHISE**.

15.1 **Event of Default.** Subject to applicable law, you will be deemed to be in default under this Agreement, and we will have the right to terminate this Agreement effective upon delivery of notice of termination to you, subject only to any right to cure to the extent expressly set forth below or mandated pursuant to applicable law, if:

a. you do not develop or open the Franchise, or you (or any individuals required to attend) fail to attend and/or successfully complete any required initial training or subsequent mandatory training, in accordance with all terms and conditions (including, without limitation, time limits) provided for in this Agreement;

b. you abandon, surrender, transfer control of, lose the right to occupy the Premises of, or do not actively operate, the Franchise, or your lease for or purchase of the location of the Franchise is terminated for any reason;

c. you or your Principal Owners assign or Transfer this Agreement, any Interest, the Franchise, or assets of the Franchise without complying with the provisions of Section 14;

d. you are adjudged a bankrupt, become insolvent or make a general assignment for the benefit of creditors, or you fail to satisfy any judgment rendered against you for a period of 30 days after all appeals have been exhausted;

e. you use, sell, distribute, provide or give away any services or products, or use any customer referral or marketing service, that has not been formally approved by us in writing and in advance for your specific Franchise or for the System as a whole;

f. you or any of your Principal Owners are convicted of or plead no contest to a felony or are convicted or plead no contest to any crime or offense that is likely to adversely affect the reputation of Eager Enrichment, the Franchise, and/or the goodwill associated with the Marks, or otherwise engage in any dishonest, unethical, or other conduct that is reasonably likely to reflect materially and unfavorably on the goodwill or reputation of your Franchised Business, the Marks or the System;

g. you or any of your employees violate any health or safety law, ordinance or regulation, or operate the Franchise in a manner that presents a health or safety hazard to your customers or the public;

h. you do not pay when due any monies owed to us or our affiliates, and do not make such payment within ten (10) days after written notice is given to you (unless a longer cure period is otherwise required by applicable law, in which case such longer period shall apply);

i. if you under-report gross revenues for any period, as determined by an audit or inspection, in an amount greater than five percent (5%);

j. you or any of your Principal Owners fail to comply with any other provision of this Agreement, any other agreement with us, or any mandatory specification, program, standard, or operating procedure within 30 days after written notice of such failure to comply is given to you (unless a longer cure period is otherwise required by applicable law, in which case such longer period shall apply);

k. you fail to submit when due any financial statements, reports or other data, information, or supporting records; or

l. you or any of your Principal Owners fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not such failures to comply are corrected after notice is given to you or your Principal Owners.

Notwithstanding the foregoing, in the event you fail to timely and expressly assume, ratify or confirm this Agreement in any bankruptcy proceeding and you cease, or have ceased, performance hereunder in any respect, then all rights granted to you under this Agreement shall immediately and automatically terminate and revert to us without further notice to you or action on our part.

15.2 **Legal Requirements.** In addition, if, in the opinion of our legal counsel, any provision of this Agreement is contrary to law, then this Agreement shall remain in full force and effect and you and we agree to negotiate in good faith an amendment that would make this Agreement conform to the applicable legal requirements. If you and we are unable to reach such an agreement within 30 days after notice of the issue is given to the other party, or if fundamental changes to this Agreement are required to make it conform to the legal requirements, then we reserve the right to terminate this Agreement upon notice to you, in which case neither party shall have any liability to the other but all of your post-termination obligations set forth in Section 16 shall apply.

15.3 **Our Remedies upon Termination.** In the event that we terminate this Agreement under Section 15.1 or other applicable provisions of this Agreement, but excluding the circumstances described in Section 15.2, all rights granted to you under this Agreement shall immediately and automatically terminate and revert to us, and we shall be entitled, to recover from you the foregoing:

a. an amount equal to your average monthly Royalty Fee for the preceding 6 months multiplied by the lesser of (i) 36 or (ii) the number of months remaining in the Term of this Agreement, which shall constitute the agreed liquidated damages to us for the loss of future revenues; plus

b. all costs and expenses, including attorneys' fees, incurred in connection with the termination, collection of the termination fee and/or damages, and audit fees and expenses.

15.4 **Withholding of Performance.** Eager Enrichment will perform its obligations under this Agreement if you are in full compliance with all or your duties and obligations to Eager Enrichment under this Agreement and the Operations Manual (including any documents incorporated therein). If you are not in such compliance, we may, in its sole judgment, do any or all of the following until you fully correct the breach or default or Eager Enrichment terminates this Agreement:

a. deny you access to the Eager Enrichment website or Intranet;

b. remove your Franchised Business from the Franchised Business locator page and/or remove your interior pages, on the Eager Enrichment Website;

c. remove your Franchised Business from the list of Franchised Businesses to which inquiries are referred;

d. remove your Franchised Business from the list of Franchised Businesses that are entitled to Eager Enrichment-related discounts from approved vendors; and/or

e. remove your Franchised Business from the list of Franchised Businesses that are approved to participate in national or other alliance programs.

Eager Enrichment may take any or all of these actions in addition to or instead of giving you notice of default and/or termination under this Agreement. You acknowledge and agree that Eager Enrichment's withholding of performance services in accordance with this Section 15.4 will not constitute a breach of this Agreement and/or a defense to the enforcement by us of any provision of this Agreement, including the right to receive payment of Royalty Fees as provided in Section 6.2. You also acknowledge and agree that, should we choose to withhold performance rather than terminate this Agreement, Eager Enrichment's failure to exercise its right to terminate this Agreement will in no way constitute a waiver of its subsequent right to terminate this Agreement for the specified default or for any other default or to exercise any other remedies available to us under this Agreement, at law, or in equity.

15.5 **Termination by You**. If Eager Enrichment should fail to comply with any provision of this Agreement, and such non-compliance is not cured within 90 days after written notice of such failure to comply is given by you to us (unless a longer cure period is otherwise required by applicable law, in which case such longer period shall apply), then, as your sole and exclusive remedies, and if you are in substantial compliance with this Agreement, you shall have the right to terminate this Agreement and, subject to the provision of Article 17 hereof, pursue such damages as are available to you for a breach of contract under applicable laws; provided, that you give written notice to us, within 10 days following the expiration of the applicable cure period, of your intention to terminate this Agreement. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 9, and all other obligations that survive the expiration or termination of this Agreement.

15.6 **Our Right to Purchase Your Franchised Business**. We have the option to purchase your Franchised Business and the Premises (if you or one of your affiliates owns a commercial Premises from which the Franchised Business is operated) upon the occurrence of a Termination Event (as defined below). We may exercise this option by giving you written notice within thirty (30) days after the date of the Termination Event. We have the unrestricted right to assign this option to purchase. If we purchase your Franchised Business and/or the Premises, we are entitled to all customary warranties and representations in our asset purchase, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

a. If you lease the Premises from an unaffiliated lessor, or if we choose not to purchase a commercial Premises from you (or one of your affiliates), you agree, at our election to (1) assign your Lease to us or our assignee, (2) enter into a sublease with us or our assignee for the remainder of the Lease term on the same terms (including renewal options) as the Lease, or (3) lease the Premises to us or our assignee for an initial term of five (5) years with, at our option, up to three (3) additional terms of five (5) years each, on commercially reasonable terms.

b. We (or our assignee) will pay the purchase price (calculated as described below) for your Franchised Business and/or Premises at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined not to purchase your Franchised Business and/or the Premises. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you or your owners owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us (or our assignee):

1. good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

2. all of your Franchised Business's licenses and permits which may be assigned or transferred; and

3. the ownership interest or leasehold interest (as applicable) in the Premises and improvements or a lease assignment or lease or sublease, as applicable.

c. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You and your owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, managers, employees, agents, successors and assigns.

d. A "Termination Event" occurs if, (i) you terminate this Agreement (other than in accordance with Section 15.5.), (ii) we terminate this Agreement for any reason, or (iii) the term of this Agreement (including any successor term) expires.

e. If we purchase your Franchised Business upon a Termination Event, the purchase price for your Franchised Business and the Premises will be their reasonable fair market value at the time of the Termination Event, provided that these items will not include any value for the rights granted by this Agreement, any goodwill attributable to our Marks, brand image, and other intellectual property, or any participation in the network of Eager Enrichment franchises. We may exclude from the assets purchased any operating assets and supplies that are not reasonably necessary (in function or quality) to your Franchised Business's operation or that we have not approved as meeting System Standards, and the purchase price will reflect these exclusions.

f. If we and you cannot agree on a fair market value, the fair market value will be determined by one (1) independent accredited appraiser selected by us who will conduct an appraisal and, in doing so, be bound by the criteria for the purchase price described above. You and we will share equally the appraisers' fees and expenses. The appraiser must complete its appraisal within thirty (30) days after its appointment

16. <u>RIGHTS AND OBLIGATIONS OF COMPANY AND FRANCHISE OWNER UPON TERMINATION OR EXPIRATION OF THE FRANCHISE</u>.

16.1 **<u>Payment of Amounts Owed to Eager Enrichment</u>**. You agree to pay us within five (5) days after the effective date of termination or expiration of the Franchise, or any later date that the amounts due to us are determined, all amounts owed to us or our affiliates which are then unpaid including, without limitation, any unpaid Initial Franchise Fee, any unpaid Royalty Fees and Technology Fees, and any termination fee, damages, costs or expenses owed by you pursuant to Section 15.3, together with any audit costs and expenses owed by you pursuant to Section 13.2.

16.2 **<u>Marks</u>**. Any use by you of the Marks and Copyrightable Works after the termination or expiration of the Franchise will constitute the unlawful use of our intellectual property rights, which include trademarks and service marks. You agree that after the termination or expiration of the Franchise you will:

a. not directly or indirectly at any time identify any business with which you are associated as a current or former Eager Enrichment franchise or franchisee;

b. not use any Mark, any colorable imitation of any Mark, or any Copyrightable Works in any manner or for any purpose, or use for any purpose any trademark or other commercial symbol that suggests or indicates an association with us;

c. return to us or destroy (whichever we specify) all customer lists, forms and materials containing any Mark or any Copyrightable Works or otherwise relating to a Eager Enrichment franchise;

d. remove all Marks affixed to uniforms or, at our direction, cease to use those uniforms; and

e. take any action that may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark.

You irrevocably appoint Eager Enrichment your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within 10 days after termination of this Agreement.

16.3 **De-Identification**. If you retain possession of the Premises, you agree to completely remove or modify, at your sole expense, any part of the interior and exterior decor that we deem necessary to disassociate the Premises with the image of an Eager Enrichment franchise, including any signage, posters, furniture, equipment, products, trade dress, or display units bearing the Marks. If you do not take the actions we request within 10 days after notice from us, we have the right to enter the Premises and make the required changes at your expense, and you agree to reimburse us for those expenses on demand. You irrevocably appoint Eager Enrichment your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within 10 days after termination of this Agreement.

16.4 **Confidential Information**. You agree that on termination or expiration of the Franchise you will immediately cease to use any of the Confidential Information, and agree not to use it in any business or for any other purpose. You further agree that all non-disclosure and related covenants set forth in Section 9 above shall survive such termination or expiration and you will immediately return to us all copies of the Operations Manual and any written Confidential Information or other confidential materials that we have loaned or provided to you.

16.5 **Other Actions**. Upon termination of this Agreement for any reason, and in addition to any other provisions contained in this Agreement, the parties will have the following further rights and obligations:

a. You must promptly execute any documents and take any steps that in the judgment of Eager Enrichment are necessary to delete your listings from classified telephone directories and on-line listings, disconnect, or, at Eager Enrichment 's option, assign to it all telephone numbers that have been used in your Franchised Business, assign to Eager Enrichment any URLs, domain names, and social media and social networking names that you have used in connection with your Franchised Business, and terminate all other references that indicate you are or ever were affiliated with Eager Enrichment. By signing this Agreement, you irrevocably appoint Eager Enrichment your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within 10 days after termination of this Agreement. If Eager Enrichment chooses not to have you assign the telephone numbers to it, you may not assign the telephone number to any competitive business, use automatic forwarding to the telephone number of any competitive business, or otherwise make the telephone number directly or indirectly available to any competitive business.

b. Your Principal Owners and General Manager must immediately comply with the restrictive covenants set forth in this Agreement and any Restrictive Covenants Agreement signed by your General Manager, as applicable.

c. You must give Eager Enrichment a final accounting for your Franchised Business, and you must maintain all accounts and records for your Franchised Business for a period of not less than seven years after final payment of any amounts you owe to Eager Enrichment, its affiliates, and/or related persons when this Agreement is terminated, but you may not sell, disclose, or otherwise transfer any of the information contained in those accounts and records to, or for use by, any competitive business.

If this Agreement is terminated because of your default, the rights of Eager Enrichment described above or elsewhere in this Agreement may not necessarily be Eager Enrichment's exclusive remedies but will instead supplement any other equitable or legal remedies available to Eager Enrichment, including the right to withhold performance as provided in Section 15.4 of this Agreement. If this Agreement is terminated because of your default, nothing in this Section 16.5 may be construed to deprive Eager Enrichment of the right to recover damages as compensation for lost profits.

16.6 **Continuing Obligations**. All obligations of this Agreement (whether yours or ours) that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding its expiration or termination until they are satisfied in full or by their nature expire. Without limiting the foregoing, you acknowledge and agree that your covenants in Article 9 above survive the termination or expiration of this Agreement to the extent set forth in such Article 9.

17. **ENFORCEMENT**.

17.1 **Invalid Provisions; Substitution of Valid Provisions**.

a. To the extent that any of the non-competition, non-solicitation, or other restrictive covenants of this Agreement are deemed unenforceable because of their scope in terms of area, business activity prohibited, length of time, or other terms, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in such provision under the laws applied in the forum in that we are seeking to enforce such provision.

b. If any lawful requirement or court order of any jurisdiction (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, or (2) makes any provision of this Agreement or any specification, program, standard, or operating procedure we prescribed invalid or unenforceable, then the advance notice and/or other action required or revision of the specification, program, standard, or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provisions enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

c. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement. We will not, however, be precluded from contesting the validity, enforceability, or applicability of such regulator's required amendment in any action relating to this Agreement or to its rescission or termination.

17.2 **Unilateral Waiver of Obligations**. Either you or we may, by written notice, unilaterally waive or reduce any obligation or restriction of the other under this Agreement. The waiver or reduction may be revoked at any time for any reason on 10 days' written notice.

17.3 **Written Consents from Eager Enrichment**. Whenever this Agreement requires our advance approval or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing.

17.4 **Lien**. To secure your performance under this Agreement and indebtedness for all sums due us or our affiliates, we shall have a lien upon, and you hereby grant us a security interest in, the following collateral and any and all additions, accessions, and substitutions to or for it and the proceeds from all of the same: (a) all inventory and equipment now owned or after-acquired by the Franchise, including but not limited to all inventory, equipment and supplies transferred to or acquired by you in connection with this Agreement; (b) all accounts of the Franchise now existing or subsequently arising, together with all interest in the Franchise, now existing or subsequently arising, together with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of the Franchise, now existing or subsequently arising including, without limitation, accounts receivable and other contractual rights to payment from others; (d) all general intangibles of the Franchise, now owned or existing, or after-acquired or subsequently arising including, without limitation, all awards, damages, payments, escrowed monies, insurance proceeds, and interest, fees, charges or payments accruing on or received from or to be received on any of the foregoing in any way; and (e) all products, proceeds, substitutions, and replacements of any of the above described collateral. You agree to execute such financing statements, instruments, and other documents, in a form satisfactory to us, that we deem necessary so that we may establish and maintain a valid security interest in and to these assets, and you authorize us to file, without your signature, such financing statements as we shall deem necessary or advisable to reflect the security interest granted herein.

17.5 **No Guarantees**. If in connection with this Agreement we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, then we will not be deemed to have made any warranties or guarantees upon which you may rely, and will not assume any liability or obligation to you.

17.6 **No Waiver**. If at any time we do not exercise a right or power available to us under this Agreement or do not insist on your strict compliance with the terms of the Agreement, or if there develops a custom or practice that is at variance with the terms of this Agreement, then we will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement at a later time. Similarly, our waiver of any particular breach or series of breaches under this Agreement, or of any similar term in any other agreement between us and any other Eager Enrichment franchisee will not affect our rights with respect to any later breach. It will also not be deemed to be a waiver of any breach of this Agreement for us to accept payments that are due to us under this Agreement.

17.7 **Cumulative Remedies**. The rights and remedies specifically granted to either you or us by this Agreement will not be deemed to prohibit either you or us from exercising any other right or remedy provided under this Agreement, or permitted by law or equity, except to the extent such remedies are specifically designated in this Agreement to be sole and exclusive.

17.8 **Specific Performance; Injunctive Relief**.

a. Equitable Remedies. Provided we give you the appropriate notice, we will be entitled, without being required to post a bond, to the entry of temporary and permanent injunctions and orders of specific performance to (1) enforce the provisions of this Agreement relating to your use of the Marks and non-disclosure, non-solicitation, non-disparagement, and non-competition obligations under this Agreement and any Restrictive Covenants Agreement signed by a General Manager; (2) prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, ordinance, or regulation; constitutes a danger to the public; or may impair the goodwill associated with the Marks or Eager Enrichment franchises; or (3) prevent any other irreparable harm to our interests. If we obtain an injunction or order of specific performance, then you shall pay us an amount equal to the total of our costs of obtaining it, including without limitation reasonable attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, and any damages we incur as a result of the breach of any such provision. You further agree to waive any claims for damage in the event there is a later determination that an injunction or specific performance order was issued improperly.

b. Not in limitation of the forgoing, or any other remedy we have under this Agreement, if you are deemed to be in default under this Agreement, we may give you the option to either operate your Franchise in full compliance with the terms and conditions of this Agreement for the remainder of the Initial Term, or to terminate the Agreement and comply with the non-competition obligations within the radius set forth herein which survive the termination of this Agreement.

17.9 **Arbitration**.

a. Agreement to Arbitrate. Except insofar as we elect to seek temporary or permanent injunctive relief as provided above, all controversies, disputes or claims arising between us, our affiliates, and our and their respective owners, officers, directors, agents, and employees (in their representative capacity) and you (and your Principal Owners and guarantors) arising out of or related to: (1) this Agreement, any provision thereof, or any related agreement (except for any lease or sublease with us or any of our affiliates); (2) the relationship of the parties hereto; (3) the validity of this Agreement or any related agreement, or any provision thereof; or (4) any specification, standard or operating procedure relating to the establishment or operation of the Franchise, shall be submitted for arbitration to be administered by the office of the American Arbitration Association.

b. Place and Procedure. Such arbitration proceedings shall be conducted in Cuyahoga County, Ohio, and, except as otherwise provided in this Agreement, shall be conducted in accordance with then current commercial arbitration rules of the American Arbitration Association, and the arbitration hearing shall be conducted before a single arbitrator, not a panel.

c. Costs of Arbitration. You and we acknowledge and agree that neither party shall be permitted to bring or maintain any actions, claims or counter-claims against the other party in any arbitration proceeding unless the party asserting such action, claim or counterclaim timely pays all costs and fees charged to it by the American Arbitration Association and one-half of all charges and fees of the designated arbitrator for the proceeding, as and when billed. In the event a party fails to pay all costs and fees charged to it by the American Arbitration Association and one-half of all charges and fees of the designated arbitrator for the proceeding, as and when billed, the arbitrator is directed to dismiss any actions, claims or counter-claims brought by such party in the arbitration and assess such charges and fees against the non-paying party in any award issued in the proceeding.

d. Awards and Decisions. The arbitrator shall have the right to award or include in his award any relief that he or she deems proper in the circumstances, including without limitation, money damages (specifically including liquidated damages provided for herein), with interest on unpaid amounts from date due, specific performance, injunctive relief (including permanent, temporary and preliminary injunctive relief), attorneys' fees, and costs. The award and decision of the arbitrator shall be conclusive and binding on all parties to this agreement, and judgment on the award may be entered in any court of competent jurisdiction, and each such party waives any right to contest the validity or enforceability of such award.

e. Arbitration Discovery. Discovery under the arbitration will be limited to the following for each side: (i) three depositions totaling 12 hours; (ii) six interrogatories each consisting of no more than 12 questions (with no subparts); and (iii) three document requests. The discovery may also be limited in any other manner as specified by the arbitrator, who will limit discovery to the greatest extent possible consistent with basic fairness.

f. Survival; Third Parties. The provisions of this Section are intended to benefit and limit third party non-signatories so that they are bound hereby, and will continue in full force and effect subsequent to, and notwithstanding expiration or termination of, this Agreement.

g. No Class Action or Consolidation. You and we agree that any such arbitration shall be conducted on an individual, not a joint or class-wide basis, and shall not be consolidated with any other arbitration proceeding.

h. Internal Mediation Prior to Arbitration. Except insofar as we elect to seek temporary or permanent injunctive relief as provided in Section 17.8 of this Agreement, before either party commences an arbitration under this Section, the parties agree that, as a condition precedent to the filing or commencement of any arbitration, they will attempt to resolve any dispute through internal mediation between the parties to be conducted in a mutually agreeable location or, if no such location is agreed upon within 10 days after a request for mediation, then at our corporate headquarters. In the event that no settlement or resolution between the parties can be reached through internal mediation within thirty (30) days following the date on which a written request for internal mediation is made by any party, such dispute shall be submitted for arbitration pursuant to this Section. "Internal mediation" shall consist of, among other things, the parties having reasonable business discussions, whether by telephone or in person, concerning the dispute and means of resolving the same.

17.10 **Waiver of Certain Damages and Jury Trial; Limitations of Actions**. Except with respect to your obligations to indemnify us and claims that we may bring under Sections 7, 9, 15 or 16 of this Agreement, and except for claims arising from your non-payment or underpayment of any amounts owed to us or our affiliates, (1) any and all claims arising out of or related to this Agreement or the relationship between you and us shall be barred, by express agreement of the parties, unless an action or proceeding is commenced within two (2) years from the date the cause of action accrues; and (2) you hereby waive to the fullest extent permitted by law, any right to or claim for any indirect, special, consequential, incidental, punitive, exemplary, or treble damages, and other forms of multiple damages, against us, including without limitation, any economic loss, property damage, physical injury, or lost profits arising out of this Agreement, your use of the Marks, the System, or your inability to use the Marks or the System, regardless of whether arising under breach of contract, warranty, tort, strict liability, or any other legal or equitable theory or claim, even if such loss or damage could have been reasonably foreseen. Further, you agree that, except to the extent provided to the contrary in this Agreement, in the event of a dispute between you and us, you will be limited to the recovery of any actual and direct damages sustained by you. You and we irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either you or us.

17.11 **Governing Law/Consent To Jurisdiction.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.) and except that all issues relating to arbitrability or the enforcement or interpretation of the agreement to arbitrate set forth in Section 17.9 which will be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law relating to arbitration, this Agreement and the Franchise will be governed by the internal laws of the State of Ohio (without reference to its choice of law and conflict of law rules), except that the provisions of any Ohio law relating to the offer and sale of business opportunities or franchises or governing the relationship of a franchisor and its franchisees will not apply unless their jurisdictional requirements are met independently without reference to this Section. You agree that the venue for any action arising out of or relating to this Agreement (which is not required to be arbitrated hereunder or as to which arbitration is waived) shall be in any state or federal court of general jurisdiction in Cuyahoga County, Ohio, unless otherwise mutually agreed by the parties in writing, and you irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

17.12 **Binding Effect**. This Agreement is binding on and will inure to the benefit of our successors and assigns and, subject to the Transfers provisions contained in this Agreement, will be binding on and inure to the benefit of your successors and assigns, and if you are an individual, on and to your heirs, executors, and administrators.

17.13 **No Liability to Others; No Other Beneficiaries**. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity that is not a party to this Agreement, and no other party shall have any rights because of this Agreement. Without limiting the generality of the foregoing, you acknowledge and agree that you will not make any allegation or take any position with respect to a third party claim that is contrary to the foregoing sentence or Article 19 below.

17.14 **Construction**. All headings of the various Sections and paragraphs of this Agreement are for convenience only, and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, neuter or singular usage will be construed to include the masculine, feminine, neuter or plural, wherever applicable. Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. The term "affiliate" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by you or your Principal Owners, or any company directly or indirectly owned or controlled by us that sells products or otherwise transacts business with you.

17.15 **Joint and Several Liability**. If two (2) or more persons are the Franchisee under this Agreement, their obligation and liability to us shall be joint and several.

17.16 **Multiple Originals**. This Agreement will be executed using multiple copies, each of which will be deemed an original.

17.17 **Timing Is Important**. Time is of the essence of this Agreement. ("Time is of the essence" is a legal term that emphasizes the strictness of time limits. In this case, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.)

17.18 **Independent Provisions**. The provisions of this Agreement are deemed to be severable. In other words, the parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

17.19 **Exercise of Discretion**. Whenever this Agreement gives Eager Enrichment discretion to take an action or make a decision, Eager Enrichment will be allowed to take or make (or refrain from taking or making) that action or decision based on its business judgment. Even if Eager Enrichment has numerous motives for a particular action or decision and/or there are other reasonable and/or arguably preferable alternatives to a particular action or decision, so long as at least one motive is a reasonable business justification, the action or decision will not be subject to challenge for abuse of discretion. IF THE EXERCISE OF EAGER ENRICHMENT'S DISCRETION AS TO ANY MATTER IS CHALLENGED, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT EAGER ENRICHMENT'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF EAGER ENRICHMENT'S DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

18. **NOTICES AND PAYMENTS**.

All written notices, reports and payments permitted or required under this Agreement or by the Operations Manual will be deemed delivered: (a) at the time delivered by hand; (b) one (1) business day after transmission by telecopy, facsimile or other electronic system; (c) one (1) business day after being placed in the hands of a reputable commercial courier service for next business day delivery; or (d) three (3) business days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and addressed to the party to be notified or paid at the address below, or its most current principal business address of which the notifying party has been advised, or to any other place designated by either party. Any required notice, payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent. Notice shall be sent to the following addresses:

To us: Eager Enrichment, Inc.
29677 Washington Way
Westlake OH 44145
Attn: Chief Executive Officer

To you: The address(es) listed in Exhibit 2.1

19. **INDEPENDENT JUDGMENT OF YOU AND YOUR GENERAL MANAGER.**

You and we acknowledge and agree that the specifications, programs, standards and operating procedures related to the services offered by the Franchise under this Agreement are not intended to limit or replace the judgment of you, or any General Manager or any employee of the Franchise, in supervising and performing the services offered by your Franchise. The specifications, programs, standards, and operating procedures represent only the minimum standards, and you and your General Manager (if any) are solely responsible for ensuring that the Franchise performs services in accordance with all applicable laws, rules, regulations and requirements.

20. **ENTIRE AGREEMENT.**

This Agreement, together with the introduction and exhibits to it, constitutes the entire agreement between us, and there are no other oral or written understandings or agreements between us concerning the subject matter of this Agreement. Notwithstanding, in accordance with federal law, nothing in this Agreement shall require you to waive reliance on any representation made in the FDD. This Agreement may be modified only by written agreement signed by both you and us, except that we may modify the Operations Manual at any time as provided herein.

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

[SIGNATURE PAGE TO FOLLOW]

The parties to this Agreement now execute and deliver this Agreement in multiple counterparts as of the date of the last signature below.

EAGER ENRICHMENT, INC.

By: ______________________________________

Title: ______________________________________

Date: ______________________________________

FRANCHISE OWNER

Print Name: ______________________________________

Signature(s): ______________________________________

____

Date: ______________________________________

[NOTE: If the Franchisee is a corporation, partnership, LLC or other entity, please include the title of each signing party, and have each Principal Owner sign the Personal Guaranty form]

EXHIBIT 1 TO THE EAGER ENRICHMENT FRANCHISE AGREEMENT

FRANCHISE AGREEMENT EXPIRATION DATE
PROTECTED TERRITORY
INITIAL FRANCHISE FEE
FRANCHISE OPENING

1-1 **Expiration Date**. Unless sooner terminated in accordance with the provisions of this Agreement, this Agreement will expire on ____.

1-2 **Protected Territory; Total Initial Franchise Fee**. The Protected Territory referred to in Section 2.3 of this Agreement shall be depicted by a map of the Protected Territory, signed or initialed and dated by you and us, that may be attached hereto or otherwise agreed upon in writing by the parties, and such map shall be deemed to be incorporated herein by reference.

Based up the Protected Territory, the total Initial Franchise Fee shall be $____________.

1-3 **Franchise Opening Schedule**. In signing the foregoing Agreement to which this Exhibit 1 is attached, you acknowledge that:

1. You have purchased the Franchise to which the Agreement corresponds as one of a group of __________ (_____) Eager Enrichment Franchises.

2. The Franchise to which this Agreement corresponds constitutes Franchise number _____ of the Franchises mentioned above.

3. You must open each Franchise mentioned above within a certain time period specified by us, the length of which depends upon the number of Franchises you have purchased and the number of these Franchises that you have developed and opened for business before developing and opening the Franchise to which the Agreement corresponds.

4. You must open the Franchise to which this Agreement corresponds within the following time period (the “Opening Deadline”), subject to the requirements of Sections 3.2 and 3.5, and any other applicable provision of the Agreement: ____
____

EXHIBIT 2 TO THE EAGER ENRICHMENT FRANCHISE AGREEMENT

OWNERSHIP INTERESTS IN FRANCHISE OWNER

2-1. Full name and address of the owners of, and a description of the type of, all currently held Interests in Franchisee:

	Name	Address	Interest held, including percentage	Required minimum ownership interest
Franchisee			N/A	N/A
Principal Owner				
Principal Owner				
Principal Owner				

Attach Additional Sheet for Principal Owners, if required.

2-2. Minimum individual and aggregate Principal Owner ownership percentage required at all times during the Term of this Agreement:

2-2.1 During the Term of this Agreement, the Principal Owners together must have a "controlling interest" (i.e., a 100 percent "ownership interest" of the equity, voting control and profits) in Franchise owner.

2-2.2 Unless otherwise permitted, the required minimum "ownership interest" of each Principal Owner during the Term of this Agreement is as set forth above:

2-3. Each Principal Owner must sign the Owner’s Guaranty and Assumption of Obligations that is attached as Exhibit 3.

EXHIBIT 3

OWNER'S GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Eager Enrichment Franchise Agreement dated ____________________, 202__ ("Agreement") by and between Eager Enrichment, Inc. ("us") and the Franchisee ____ [insert name of franchisee], each of the undersigned owners of the Franchisee ("you", for purposes of this Guaranty only), hereby personally and unconditionally (1) guarantees to us and our successors and assigns that the Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) agrees to be personally bound by, and personally liable for the prompt and full performance of, and any breach of, each and every provision in the Agreement, including without limitation, monetary obligations, the obligations to take or refrain from taking certain actions and arbitration of disputes.

Each of you waives (1) protest and notice of default, demand for payment or nonperformance of any obligations guaranteed by this Guaranty; (2) any right you may have to require that an action be brought against Franchisee or any other person as a condition of your liability; (3) all right to payment or reimbursement from, or subrogation against, the Franchisee which you may have arising out of your guaranty of the Franchisee's obligations; and (4) any and all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantor.

Each of you consents and agrees that (1) your direct and immediate liability under this Guaranty shall be joint and several; (2) you will make any payment or render any performance required under the Agreement on demand if Franchisee fails or refuses to do so when required; (3) your liability will not be contingent or conditioned on our pursuit of any remedies against Franchisee or any other person; (4) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims; (5) by signing this Agreement you are confirming that you are bound to the non-disclosure and non-competition provisions applicable to the Franchisee in Article 9 of the Agreement; and (6) this Guaranty will continue and be irrevocable during the Term of the Agreement and afterward for so long as the Franchisee has any obligations under the Agreement.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we will be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Guaranty, you agree to reimburse us for any of the above-listed costs and expenses incurred by us.

This Guaranty is now executed as of the Agreement Date.

____

____

EXHIBIT 4

ACH AGREEMENT

Eager Enrichment, Inc.

CHECKING ACCOUNT - DEBIT/CREDIT AUTHORIZATION

Please complete and sign the form below, attach a voided check and mail or fax to the following: Eager Enrichment, Inc.

Franchisee's Name ____

Name of Bank ____

Address of Bank ____

____

Name on Checking Account:

(As it appears on your checks) ____

Address where Checking

Statement mailed ____

____

BANK (ABA) ROUTING NUMBER: ________________________________

CHECKING ACCOUNT NUMBER: ________________________________

AUTHORIZATION:

I hereby authorize Eager Enrichment, Inc. and the financial institution listed above to debit/credit the account I have specified for payment of my monthly franchise fee incurred with Eager Enrichment, Inc.. I understand that a fee will be charged to my account for each request returned for non-sufficient funds. I understand and agree to allow Eager Enrichment to debit or credit my account, as appropriate, if an adjustment is required for any reason. I understand that both the financial institution and Eager Enrichment, Inc. reserve the right to terminate this payment plan and/or my participation therein. I may elect to discontinue my enrollment in this plan at any time. If I so choose, I will provide written notice to Eager Enrichment, Inc.

___________________________________ ________________ __________________

Signature Date Phone

ATTACH VOID CHECK HERE

We cannot process this request without a voided check.

Deposit Slips are NOT acceptable.

EXHIBIT C

OPERATIONS MANUAL TABLE OF CONTENTS

EXHIBIT D

LIST OF CURRENT AND FORMER EAGER ENRICHMENT FRANCHISEES

Current Franchisees

As of December 31, 2025, the end of our fiscal year, we had the following Eager Enrichment franchisees. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchised Outlets

None.

Company-Owned Outlets

Ohio

Name	Address	City	State	Zip	Phone
Active Time LLC	29677 Washington Way	Westlake	OH	44145	800-231-7519

Former Franchisees

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. The following Franchisees were cancelled, terminated or voluntarily or involuntarily ceased to do business in the 2024 fiscal year, or have not communicated with us within 10 weeks of the issuance date of this disclosure document:

None.

EXHIBIT E

FINANCIAL STATEMENTS

Barnes Wendling CPAs Since 1946

CONSENT OF ACCOUNTANT

Barnes Wendling CPAs hereby consents to the use in the Franchise Disclosure Document issued by Eager Enrichment, Inc. ("Franchisor") on April 7, 2026, as it may be amended, of (i) our report dated March 17, 2025, relating to the financial statements of Franchisor for the periods ending December 31, 2023 and December 31, 2024, and (ii) our report dated March 13, 2026, relating to the financial statements of Franchisor for the periods ending December 31, 2024 and December 31, 2025.

Dated: April 7, 2026.

Barnes Wendling CPAs

1350 Euclid Ave., Ste. 1400
Cleveland, OH 44115-1830
P 216.566.9000 • f 216.566.9321

5050 Waterford Drive
Sheffield Village, OH 44035-1497
P 440.934.3850 • f 440.934.3950

5002 Timber Commons Drive
Sandusky, OH 44870-8906
P 419.626.3627 • f 419.626.3796

113 N. 2nd St.
Palatka, FL 32177-3705
P 386.328.1553 • f 386.328.5144

Toll free 800.369.6375 | barneswendling.com

EAGER ENRICHMENT, INC.

AUDITED
FINANCIAL STATEMENTS

YEARS ENDED
DECEMBER 31, 2025 AND 2024

EAGER ENRICHMENT, INC.

Table of Contents

Barnes Wendling CPAs Since 1946

INDEPENDENT AUDITORS' REPORT

To the Shareholders
Eager Enrichment, Inc.
Westlake, Ohio

Opinion

We have audited the accompanying financial statements of Eager Enrichment, Inc. (Company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eager Enrichment, Inc. as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eager Enrichment, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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Barnes Wendling CPAs
Since 1946

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Eager Enrichment, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eager Enrichment, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Barnes Wendling CPAs

Sheffield Village, Ohio
March 13, 2026

EAGER ENRICHMENT, INC.

Balance Sheets

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash	$ 51,401	$ 46,697
Accounts receivable	850	850
Prepaid income taxes	1,985	14,053
TOTAL CURRENT ASSETS	54,236	61,600
Intangible Assets		
Website	34,950	34,950
Less accumulated amortization	26,212	14,562
	8,738	20,388
Other Assets		
Deferred income taxes	1,700	-
TOTAL ASSETS	**$ 64,674**	**$ 81,988**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ -	$ 1,066
Deferred revenue	6,528	6,528
Shareholder loan	410	648
TOTAL CURRENT LIABILITIES	6,938	8,242
Long-Term Liabilities		
Deferred revenue, net of current portion	39,712	46,240
Shareholders' Equity		
Common stock	500	500
Additional paid-in capital	500	500
Retained earnings	17,024	26,506
	18,024	27,506
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 64,674**	**$ 81,988**

See Notes to Financial Statements

EAGER ENRICHMENT, INC.

Statements of Operations

	Years Ended December 31,	
	2025	2024
Franchise fees	$ 6,528	$ 6,528
Royalty income	41,298	38,348
	47,826	44,876
General and administrative expenses	(57,265)	(45,246)
Loss from operations	(9,439)	(370)
Interest income	1,901	1,742
Income (loss) before income taxes	(7,538)	1,372
Income tax expense		
Current	3,644	(4,158)
Deferred	(1,700)	(13,500)
	1,944	(17,658)
NET INCOME (LOSS)	$ (9,482)	$ 19,030

See Notes to Financial Statements

EAGER ENRICHMENT, INC.

Statements of Changes in Shareholders' Equity

	Years Ended December 31, 2025	Years Ended December 31, 2024
Common Stock		
Balance at beginning of year	$ 500	$ 500
Balance at end of year	$ 500	$ 500
Additional Paid-In Capital		
Balance at beginning of year	$ 500	$ 500
Balance at end of year	$ 500	$ 500
Retained Earnings		
Balance at beginning of year	$ 26,506	$ 7,476
Net income (loss)	(9,482)	19,030
Balance at end of year	$ 17,024	$ 26,506

See Notes to Financial Statements

EAGER ENRICHMENT, INC.

Statements of Cash Flows

	Years Ended December 31, 2025	2024
Cash Flows From Operating Activities		
Net income (loss)	$ (9,482)	$ 19,030
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Provision for amortization	11,650	11,650
Deferred income taxes	(1,700)	(13,500)
(Increase) decrease in assets:		
Accounts receivable	-	(371)
Prepaid income taxes	12,068	(12,714)
Increase (decrease) in liabilities:		
Accounts payable	(1,066)	1,066
Deferred revenue	(6,528)	(6,528)
Net cash provided by (used in) operating activties	4,942	(1,367)
Cash Flows From Financing Activities		
Proceeds from (repayments of) shareholder loan, net	(238)	166
Net cash (used in) provided by financing activties	(238)	166
Net increase (decrease) in cash	4,704	(1,201)
Cash at beginning of the year	46,697	47,898
Cash at end of the year	**$ 51,401**	**$ 46,697**
Supplemental Information		
Cash paid for income taxes	$ -	$ 8,556

See Notes to Financial Statements

NOTE A - NATURE OF OPERATIONS

Eager Enrichment, Inc. is a franchisor of personal enrichment curriculum in the fields of art, STEM (Science, Technology, Engineering, and Math), and hand sewing. The curriculum has a target market of individuals aged four to ninety-nine years old.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Variable Interest Entities

The Company follows the guidance of the Financial Accounting Standards Board (FASB), which provides private companies an accounting alternative to not apply variable interest entity (VIE) guidance. Because of the private company alternative, the Company has not considered entities under common ownership for consolidation or applicable VIE disclosures within these financial statements. Note C to the financial statements discloses the transactions with related entities.

Accounts Receivable and Credit Losses

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Unpaid accounts receivable with invoice dates over 30 days past due bear no interest. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Accounts receivable as of December 31, 2025, 2024, and 2023 were $850, $850, and $479, respectively.

The Company operates in the personal enrichment franchising sector and its accounts receivable are primarily derived from franchisees. At each balance sheet date, the company recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist.

The allowance estimate is derived from a review of the Company's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events such as revenue and cash flow forecasts, and any other factors deemed relevant by the Company. The Company has no history of credit losses due to its short time in existence. Therefore, the Company used cash flow forecasts of accounts receivable to measure the allowance for credit losses because the Company's primary business segment (franchisees) have remained constant since the Company's inception. Based on the Company's assessment of these factors, it concluded no allowance for credit losses is necessary at December 31, 2025 and 2024.

The Company writes off receivables when there is information the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation and Amortization Policy
The Company's website is stated at its development cost and amortized over its useful life of 3 years. Amortization of the website during the years ended December 31, 2025 and 2024 was $11,650.

Improvements and major repairs with a useful life greater than one year are capitalized, while minor maintenance and repairs are expensed as incurred. The cost of assets sold or retired and the related amounts of accumulated depreciation are removed from the accounts in the year of disposal. Any resulting gain or loss is reflected in current operations, as a component of other income (expense).

Impairment Testing of Long-Lived Assets
The Company evaluates impairment of long-lived assets, including its website whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. These events or circumstances would include a significant change in the business climate, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of the business or other factors. An impairment of the Company's website exists if its carrying value exceeds the estimated undiscounted future cash flows which result from it. The Company determined no triggering events occurred during the years ended December 31, 2025 and 2024, therefore no evaluation of impairment was necessary.

Revenue Recognition
The Company recognizes franchise fee revenue over time as ongoing services (performance obligations) are rendered to franchisees throughout the franchise term for amounts reflecting the consideration the Company expects to be entitled to in exchange for those services. Performance obligations related to franchise fees include providing updated course materials and supplies, creation of new content and courses, advisory services for franchisees. Revenue from the sale of franchises includes both the base franchise fee of $25,000 plus additional charges based on the size of the market area measured by a count of households. Most franchise agreements are for 10 years and require payment of the full franchise fee upon execution of the franchise agreement. The Company recognizes deferred revenue for the unearned portion and recognizes revenue over the term of the franchise agreement. The Company will recognize franchise fee revenue of $6,528 annually through the year ending December 31, 2032 and $544 during the year ending December 31, 2033.

The Company recognizes royalty income from existing franchises at a point in time measured on a monthly basis for services provided by the franchisee to customers. Franchisees are required to report their gross revenue on a monthly basis and remit 8% of gross revenue (or a minimum fee of $850 per month) to the Company within 10 days of month-end.

Advertising Costs
The Company expenses advertising costs as incurred. The amount charged against general and administrative expense for the years ended December 31, 2025 and 2024 was $-0- and $250, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes
The Company's income taxes consist of the following:

	Years Ended December 31,	
	2025	2024
Current:		
U.S. Federal	$ 3,644	$ (4,158)
Deferred:		
U.S. Federal	(1,600)	(12,500)
Local	(100)	(1,000)
	(1,700)	(13,500)
	$ 1,944	$ (17,658)

During the years ended December 31, 2025 and 2024, the effective tax rates for the Company approximated the federal statutory rate of 21% and local rate of 2% for a combined rate of 23%.

The Company provides for deferred income taxes on all significant temporary differences, which represent the tax effect on transactions reported for tax purposes in periods different than for financial reporting purposes. Deferred income taxes result primarily from the timing of revenue recognized from the sale of franchises and from net operating loss carryovers. The Company has a U.S. Federal net operating loss of $7,538 and Local net operating loss of $9,627 that have no expiration date. The net operating losses is causing a deferred tax asset of $1,700 and $-0- for the years ended December 31, 2025 and 2024, respectively.

The Company evaluates at each balance sheet date uncertain tax positions taken, if any, to determine the need to record liabilities for taxes, penalties, and interest. The Company's policy is to record interest and penalties on uncertain tax provisions as income tax expense. As of December 31, 2025 and 2024, the Company has no accrued taxes, interest, or penalties related to uncertain tax positions. The Company estimates the unrecognized tax benefit will not change significantly within the next twelve months.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events
The Company has evaluated subsequent events through March 13, 2026, the date which the financial statements were available to be issued.

NOTE C - RELATED PARTY TRANSACTIONS

Franchise Agreements
The Company sells franchises to provide educational support services within local markets. During the year ended December 31, 2023, the Company sold its first franchise to Active Time, LLC, an entity related through common ownership. All royalty income received is from Active Time, LLC and the Company's account receivable and deferred revenue at December 31, 2025 and 2024 are from Active Time, LLC.

NOTE D - CONCENTRATIONS

Revenue and Accounts Receivable
During the years ended December 31, 2025 and 2024, 100% of the Company's franchise fees and royalty income were derived from one franchisee. At December 31, 2025 and 2024, all of the Company's accounts receivable and deferred revenue were from this one franchisee.

Cash
The Company's cash balance on deposit with financial institutions occasionally exceeds Federal Deposit Insurance Corporation limits.

NOTE E - COMMON STOCK

The common stock of the Company consists of 100 shares of authorized, issued, and outstanding stock with a stated value of $5 per share at December 31, 2025 and 2024.

EAGER ENRICHMENT, INC.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

EAGER ENRICHMENT, INC.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders
Eager Enrichment, Inc.
Westlake, Ohio

Opinion

We have audited the accompanying financial statements of Eager Enrichment, Inc. (Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eager Enrichment, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eager Enrichment, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

1350 Euclid Ave., Ste. 1400
Cleveland, OH 44115-1830
p 216.566.9000 • f 216.566.9321

5002 Timber Commons Dr.
Sandusky, OH 44870-8906
p 419.626.3627 • f 419.626.3796

5050 Waterford Dr.
Sheffield Village, OH 44035-1497
p 440.934.3850 • f 440.934.3950

toll free 800.369.6375 barneswendling.com

Barnes Wendling CPAs
Since 1946

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Eager Enrichment, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eager Enrichment, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Barnes Wendling CPAs

Sheffield Village, Ohio
March 17, 2025

EAGER ENRICHMENT, INC.

Balance Sheets

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash	$ 46,697	$ 47,898
Accounts receivable	850	479
Prepaid income taxes	14,053	1,339
TOTAL CURRENT ASSETS	61,600	49,716
Other Assets		
Website	34,950	34,950
Less accumulated amortization	14,562	2,912
	20,388	32,038
TOTAL ASSETS	**$ 81,988**	**$ 81,754**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 1,066	$ -
Deferred revenue	6,528	6,528
Shareholder loan	648	482
TOTAL CURRENT LIABILITIES	8,242	7,010
Long-Term Liabilities		
Deferred revenue, net of current portion	46,240	52,768
Deferred income taxes	-	13,500
	46,240	66,268
Shareholders' Equity		
Common stock	500	500
Additional paid-in capital	500	500
Retained earnings	26,506	7,476
	27,506	8,476
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 81,988**	**$ 81,754**

See Notes to Financial Statements

EAGER ENRICHMENT, INC.

Statements of Operations

	Years Ended December 31,	
	2024	2023
Franchise fees	$ 6,528	$ 6,013
Royalty income	38,348	32,658
	44,876	38,671
General and administrative expenses	45,246	12,347
Income (loss) from operations	(370)	26,324
Other income (expenses)		
Interest income	1,742	228
Income before income taxes	1,372	26,552
Income tax expense		
Current	(4,158)	5,576
Deferred	(13,500)	13,500
	(17,658)	19,076
NET INCOME	**$ 19,030**	**$ 7,476**

See Notes to Financial Statements

EAGER ENRICHMENT, INC.

Statements of Changes in Shareholders' Equity

	Years Ended December 31, 2024	2023
Common Stock		
Balance at beginning of year	$ 500	$ 500
Balance at end of year	$ 500	$ 500
Additional Paid-In Capital		
Balance at beginning of year	$ 500	$ 500
Balance at end of year	$ 500	$ 500
Retained Earnings		
Balance at beginning of year	$ 7,476	$ -
Net income	19,030	7,476
Balance at end of year	$ 26,506	$ 7,476

See Notes to Financial Statements

EAGER ENRICHMENT, INC.

Statements of Cash Flows

	Years Ended December 31, 2024	2023
Cash Flows From Operating Activities		
Net income	$ 19,030	$ 7,476
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for depreciation and amortization	11,650	2,912
Deferred income taxes	(13,500)	13,500
(Increase) decrease in assets:		
Accounts receivable	(371)	(479)
Prepaid income taxes	(12,714)	(1,339)
Increase (decrease) in liabilities:		
Accounts payable	1,066	-
Deferred revenue	(6,528)	59,296
Net cash (used in) provided by operating activties	(1,367)	81,366
Cash Flows From Investing Activities		
Development of website	-	(34,950)
Net cash used in investing activties	-	(34,950)
Cash Flows From Financing Activities		
Proceeds from member loan	166	482
Net cash provided by financing activties	166	482
Net increase (decrease) in cash	(1,201)	46,898
Cash at beginning of the year	47,898	1,000
Cash at end of the year	**$ 46,697**	**$ 47,898**
Supplemental Information		
Cash paid for income taxes	$ 8,556	$ 6,915

See Notes to Financial Statements

EAGER ENRICHMENT, INC.

Notes to Financial Statements
Years Ended December 31, 2024 and 2023

NOTE A - NATURE OF OPERATIONS

Eager Enrichment, Inc. is a franchisor of personal enrichment curriculum in the fields of art, STEM (Science, Technology, Engineering, and Math), and hand sewing. The curriculum has a target market of individuals aged four to ninety-nine years old.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Variable Interest Entities
The Company follows the guidance of the Financial Accounting Standards Board (FASB), which provides private companies an accounting alternative to not apply variable interest entity (VIE) guidance. Because of the private company alternative, the Company has not considered entities under common ownership for consolidation or applicable VIE disclosures within these financial statements. Note C to the financial statements discloses the transactions with related entities.

Accounts Receivable and Credit Losses
Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Unpaid accounts receivable with invoice dates over 30 days past due bear no interest. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Accounts receivable as of December 31, 2024, 2023, and 2022 were $850, $479, and $-0-, respectively.

The Company operates in the personal enrichment franchising sector and its accounts receivable are primarily derived from franchisees. At each balance sheet date, the company recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist.

The allowance estimate is derived from a review of the Company's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events such as revenue and cash flow forecasts, and any other factors deemed relevant by the Company. The Company has no history of credit losses due to its short time in existence. Therefore, the Company used cash flow forecasts of accounts receivable to measure the allowance for credit losses because the Company's primary business segment (franchisees) have remained constant since the Company's inception. Based on the Company's assessment of these factors, it concluded no allowance for credit losses is necessary at December 31, 2024 and 2023.

The Company writes off receivables when there is information the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation and Amortization Policy
The Company's website is stated at its development cost and amortized over its useful life of 3 years. Amortization of the website during the years ended December 31, 2024 and 2023 was $11,650 and $2,912, respectively.

Improvements and major repairs with a useful life greater than one year are capitalized, while minor maintenance and repairs are expensed as incurred. The cost of assets sold or retired and the related amounts of accumulated depreciation are removed from the accounts in the year of disposal. Any resulting gain or loss is reflected in current operations, as a component of other income (expense).

Impairment Testing of Long-Lived Assets
The Company evaluates impairment of long-lived assets, including its website whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. These events or circumstances would include a significant change in the business climate, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of the business or other factors. An impairment of the Company's website exists if its carrying value exceeds the estimated undiscounted future cash flows which result from it. The Company determined no triggering events occurred during the years ended December 31, 2024 and 2023, therefore no evaluation of impairment was necessary.

Revenue Recognition
The Company recognizes franchise fee revenue over time as ongoing services (performance obligations) are rendered to franchisees throughout the franchise term for amounts reflecting the consideration the Company expects to be entitled to in exchange for those services. Performance obligations related to franchise fees include providing updated course materials and supplies, creation of new content and courses, advisory services for franchisees. Revenue from the sale of franchises includes both the base franchise fee of $25,000 plus additional charges based on the size of the market area measured by a count of households. Most franchise agreements are for 10 years and require payment of the full franchise fee upon execution of the franchise agreement. The Company recognizes deferred revenue for the unearned portion and recognizes revenue over the term of the franchise agreement. The Company will recognize franchise fee revenue of $6,528 annually through the year ending December 31, 2032 and $544 during the year ending December 31, 2033.

The Company recognizes royalty income from existing franchises at a point in time measured on a monthly basis for services provided by the franchisee to customers. Franchisees are required to report their gross revenue on a monthly basis and remit 8% of gross revenue (or a minimum fee of $850 per month) to the Company within 10 days of month-end.

Advertising Costs
The Company expenses advertising costs as incurred. The amount charged against general and administrative expense for the years ended December 31, 2024 and 2023 was $250 and $6,740, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes
The Company's income taxes consist of the following:

	Years Ended December 31, 2024	Years Ended December 31, 2023
Current:		
U.S. Federal	$ (4,158)	$ 5,576
Deferred:		
U.S. Federal	(12,500)	12,500
Local	(1,000)	1,000
	(13,500)	13,500
	$ (17,658)	$ 19,076

During the years ended December 31, 2024 and 2023, the effective tax rates for the Company approximated the federal statutory rate of 21% and local rate of 2% for a combined rate of 23%.

The Company provides for deferred income taxes on all significant temporary differences, which represent the tax effect on transactions reported for tax purposes in periods different than for financial reporting purposes. Deferred income taxes result primarily from the timing of revenue recognized from the sale of franchises. The Company's deferred tax liability consists of:

	December 31, 2024	December 31, 2023
Federal:		
Deferred tax liability	$ -	$ (12,500)
	-	(12,500)
State and local:		
Deferred tax liability	-	(1,000)
	-	(1,000)
	$ -	$ (13,500)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)
The Company evaluates at each balance sheet date uncertain tax positions taken, if any, to determine the need to record liabilities for taxes, penalties, and interest. The Company's policy is to record interest and penalties on uncertain tax provisions as income tax expense. As of December 31, 2024 and 2023, the Company has no accrued taxes, interest, or penalties related to uncertain tax positions. The Company estimates the unrecognized tax benefit will not change significantly within the next twelve months.

Subsequent Events
The Company has evaluated subsequent events through March 17, 2025, the date which the financial statements were available to be issued.

NOTE C - RELATED PARTY TRANSACTIONS

Franchise Agreements
The Company sells franchises to provide educational support services within local markets. During the year ended December 31, 2023, the Company sold its first franchise to Active Time, LLC, an entity related through common ownership. All royalty income received is from Active Time, LLC and the Company's account receivable and deferred revenue at December 31, 2024 and 2023 are from Active Time, LLC.

NOTE D - CONCENTRATIONS

Revenue and Accounts Receivable
During the years ended December 31, 2024 and 2023, 100% of the Company's franchise fees and royalty income were derived from one franchisee. At December 31, 2024 and 2023, all of the Company's accounts receivable and deferred revenue were from this one franchisee.

Cash
The Company's cash balance on deposit with financial institutions occasionally exceeds Federal Deposit Insurance Corporation limits.

NOTE E - COMMON STOCK

The common stock of the Company consists of 100 shares of authorized, issued, and outstanding stock with a stated value of $5 per share at December 31, 2024 and 2023.

<u>EXHIBIT F</u>

GENERAL RELEASE AGREEMENT

EAGER ENRICHMENT

GENERAL RELEASE AGREEMENT
(for Renewals)

THIS GENERAL RELEASE AGREEMENT ("**Release**") is made and entered into this ______ day of _____________, 202__, by and between Eager Enrichment, Inc., an Ohio corporation (**"Franchisor"**), and __________________________________ (**"Franchisee"**), and each undersigned owner of Franchisee (individually, an **"Owner,"** and collectively, the **"Owners"**) (collectively, Franchisor, Franchisee, and the Owners are referred to hereinafter as the "**Parties**").

WITNESSETH

WHEREAS, the Parties previously entered into that certain Franchise Agreement dated ______________________, 202__ (the **"Agreement"**) granting Franchisee a single Eager Enrichment franchise for a specific Term (as defined in the Agreement); and

WHEREAS, Franchisee desires to renew the Agreement for an additional Term (as defined in the Agreement); and

WHEREAS, Section 2.4(c) of the Agreement requires Franchisee and each of its Owners to execute, as a condition to renew the Agreement, a general release from liability of all claims that Franchisee and its Owners may have against Franchisor and its affiliates and their respective officers, directors, employees and agents; and

WHEREAS, the Parties desire to enter into this Release to comply with the requirements of the Agreement and preserve Franchisee's eligibility to renew the Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other valuable consideration, the Parties hereby agree as follows:

1. Recitals. The foregoing Recitals are incorporated into and made part of this Release.

2. Release. Franchisee and each Owner, on behalf of themselves and their present or former affiliated entities, and their respective predecessors, successors, assigns, owners, heirs, and personal representatives, as applicable, and on behalf of all other persons or entities claiming by or through any of the foregoing (the **"Releasing Parties"**), hereby fully and unconditionally release and discharge Franchisor and its present or former affiliated entities and their respective officers, directors, shareholders, partners, members, employees, contractors, agents, attorneys, representatives, heirs, and personal representatives, and each of their respective predecessors, successors and assigns (the **"Released Parties"**) from any and all liabilities, claims, demands, debts, damages, obligations and causes of action of any nature or kind, whether presently known or unknown, which the Releasing Parties, or any of them, may have against the Released Parties

as of the date this Agreement is executed ("Claims"), except for any Claims that are prohibited by applicable law from being released hereby.

Franchisee and each Owner hereby represent and warrant to Franchisor that there has been no assignment or other transfer of any interest in any of its Claims and Franchisee and each Owner do hereby jointly and severally agree to forever defend, indemnify and hold harmless the Released Parties from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred as a result of any person asserting any interest in any of the Claims of any Releasing Party, and/or as a result of any voluntary, involuntary or other assignment or transfer of such party's Claims. Franchisee and each Owner covenant and agree not to directly or indirectly initiate or file any legal action, arbitration or other proceeding against any Released Party that consists of or is otherwise based upon any Claim that is being released by this Agreement.

3. Miscellaneous.

A. This Release contains the entire agreement and all representations between the Parties hereto with respect to the subject matter hereof. This Release supersedes and cancels any prior understanding or agreement between the parties hereto whether written or oral, express or implied, with respect to the subject matter hereof. No modifications or amendments to this Release shall be effective unless in writing, signed by all Parties.

B. In case any one or more of the provisions contained in this Release, or any part thereof, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Release. In case any one or more of the provisions contained in this Release shall, for any reason, be held to be unreasonable, improper, overbroad or unenforceable in any manner, it is agreed that they are divisible and separable and should be valid and enforceable to the extent allowed by law. The intention of the Parties is that Franchisor shall be given the broadest protection allowed by law with respect to this Release.

C. This Release shall be governed by the laws of the State of Ohio. Any litigation or court action arising under or related to this Release shall be filed in state or federal court in Cuyahoga County, Ohio.

D. In the event a court action is brought to enforce or interpret this Release, the prevailing Party in that proceeding or action shall be entitled to reimbursement of all of its legal expenses, including, but not limited to, reasonable attorneys' fees and court costs incurred. The prevailing Party shall be entitled to reimbursement of all such expenses both in the initial proceeding or action and on any appeal therefrom.

E. This Release is binding on the Parties hereto and their respective successors, heirs, beneficiaries, agents, legal representatives, and assigns, and on any other persons claiming a right or interest through the Parties.

F. The undersigned individuals recognize that this Release is an important document that affects their legal rights. For this reason, the Parties may wish to seek independent legal advice before signing this document. The undersigned Parties acknowledge that they have had an opportunity to seek such independent legal advice. They acknowledge that they have read and understand the provisions contained herein and acknowledge receipt of a copy of this Release.

G. This Release may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original.

IN WITNESS WHEREOF, the Parties hereto affix their signatures and execute this Release as of the day and year first above written.

FRANCHISOR:

EAGER ENRICHMENT, INC.
An Ohio corporation

By:__________________________________
Its:__________________________________

FRANCHISEE:

____

By:__________________________________
Title:________________________________

OWNERS:

____
Individually, and
on behalf of the Releasing Parties

____
Individually, and
on behalf of the Releasing Parties

EXHIBIT G

TRANSFER AGREEMENT

<u>EAGER ENRICHMENT</u>
<u>TRANSFER AGREEMENT</u>

THIS TRANSFER AGREEMENT (**"Agreement"**) is made and entered into this ______ day of ____________, 202__, by and between Eager Enrichment, Inc., an Ohio corporation (**"Franchisor"**), and __________________ (**"Franchisee"**), and each undersigned owner of Franchisee (individually, an **"Owner,"** and collectively, the **"Owners"**), and ____________________________ (collectively, and jointly and severally, **"Assignee"**) (collectively, Franchisor, Franchisee, the Owners and Assignee are referred to hereinafter as the "**Parties**").

WITNESSETH:

WHEREAS, Franchisor and Franchisee previously entered into that certain Franchise Agreement dated ______________________ (the **"Franchise Agreement"**), granting to Franchisee that certain Eager Enrichment franchise located in ___________________ (the **"Franchise"**);

WHEREAS, Franchisee and each undersigned Owner wish to Transfer (as defined in Section 14 of the Franchise Agreement) to Assignee all of its right, title and interest in and to the *[Franchisee,]* Franchise and the Franchise Agreement (the **"Transferred Interest"**);

WHEREAS, Franchisor is willing to consent to the above Transfer of the Transferred Interest, and the Parties desire that the Transfer be made in accordance with the following terms and conditions;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and undertakings herein contained and other valuable consideration, the adequacy of which is acknowledged by all Parties, the Parties hereby agree as follows:

1. <u>Recitals</u>. The above Recitals and sections of the Franchise Agreement referred therein are hereby incorporated into and made part of this Agreement.

2. <u>Transfer; Assumption; Consent to Transfer</u>. Franchisee and each undersigned Owner does hereby Transfer to Assignee all of his, her or its right, title and interest in and to the Transferred Interest, and Assignee (jointly and severally if more than one Assignee), does hereby assume and agree to discharge all liabilities and obligations of the Franchisee arising under or in connection with the Franchise Agreement on or after the date hereof. Franchisor hereby consents to the Transfer of the Transferred Interest as described in the Recitals, but such consent does not relieve Franchisee or any Owner from any liabilities or obligations arising under or in connection with the Franchise Agreement on or before the date hereof, or any covenants or obligations that by their terms survive Transfer or termination of the Franchise Agreement.

3. <u>Conditions for Approval of Transfer</u>. Franchisee and each undersigned Owner and Assignee hereby represent and warrant that the conditions for approval of Transfer as set forth in

Section 14.5 of the Franchise Agreement, to the extent such conditions are not specifically addressed or resolved under this Agreement, have been fully and completely satisfied as provided in such Section 14.5 and to Franchisor's satisfaction.

4. Release. Franchisee and the Owners hereby represent and warrant to Franchisor and Assignee that Owners are the sole owners of Franchisee, and that Franchisee is the sole owner of all rights to the Franchise and under the Franchise Agreement, and no other person has any right, title or interest in or to the Franchise, the Franchisee, the Franchise Agreement, the Transferred Interest or any of the Claims being released above.

Franchisee and each Owner, on behalf of themselves and their present or former affiliated entities, and their respective predecessors, successors, assigns, owners, heirs, and personal representatives, as applicable, and on behalf of all other persons or entities claiming by or through any of the foregoing (the "Releasing Parties"), hereby fully and unconditionally release and discharge Franchisor and its present or former affiliated entities and their respective officers, directors, shareholders, partners, members, employees, contractors, agents, attorneys, representatives, heirs, and personal representatives, and each of their respective predecessors, successors and assigns (the "Released Parties") from any and all liabilities, claims, demands, debts, damages, obligations and causes of action of any nature or kind, whether presently known or unknown, which the Releasing Parties, or any of them, may have against the Released Parties as of the date this Agreement is executed ("Claims"), except for any Claims that are prohibited by applicable law from being released hereby.

Franchisee and each Owner hereby represent and warrant to Franchisor that there has been no assignment or other transfer of any interest in any of its Claims and Franchisee and each Owner do hereby jointly and severally agree to forever defend, indemnify and hold harmless the Released Parties from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred as a result of any person asserting any interest in any of the Claims of any Releasing Party, and/or as a result of any voluntary, involuntary or other assignment or transfer of such party's Claims.

Franchisee and each Owner covenant and agree not to directly or indirectly initiate or file any legal action, arbitration or other proceeding against any Released Party that consists of or is otherwise based upon any Claim that is being released by this Agreement.

5. Restrictive Covenants. Franchisee and each undersigned Owner acknowledge and agree that the restrictive covenants set forth in Article 9 of the Franchise Agreement shall remain in full force and effect notwithstanding this Transfer, the execution of a New Franchise Agreement (pursuant to Section 7 below) or any deemed termination of the Franchise Agreement with respect to Franchisee and/or any Owner.

6. Subordination. Franchisee, each undersigned Owner and Assignee agree that all of Assignee's obligations to make any installment payments to or for the benefit of Franchisee and/or an undersigned Owner in connection with the Transfer of the Transferred Interest as provided under this Agreement shall be subordinate to Assignee's obligations under the Franchise

Agreement or New Franchise Agreement (as defined below) to pay to us or our affiliates any Continuing Franchise Fees, Advertising Fees, and other fees and payments provided for therein.

7. New Franchise Agreement. Assignee agrees that in connection with the Transfer of the Transferred Interest to it, Assignee shall sign at Franchisor's request the form of Franchise Agreement (including applicable guaranties of Principal Owners) currently used by Franchisor in selling and offering franchises like the Franchise (the "New Franchise Agreement"). If Franchisor requires that a New Franchise Agreement be signed, it will replace the Franchise Agreement; provided, however, that unless otherwise expressly agreed by Franchisor and Assignee, the Initial Term of the Franchise shall remain the same as is set forth in the currently-existing Franchise Agreement.

8. Survival of Obligations. Franchisee and each Owner hereby acknowledge and agree that nothing contained herein shall relieve or discharge him, her or it with respect to any duties, obligations or liabilities to which he is subject under the Franchise Agreement. Without limiting the foregoing, and in consideration of, and as an inducement to, the execution of this Agreement by Franchisor, Franchisee and each Owner hereby personally and unconditionally agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, including without limitation, monetary obligations, the obligations to take or refrain from taking certain actions and arbitration of disputes, on a joint and several basis, whether occurring prior to or after the date of this Transfer. If Franchisor is required to enforce the guaranty provided for under this Section in a judicial or arbitration proceeding, and prevails in such proceeding, then Franchisee and each Owner agree that Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by Franchisee or an Owner to comply with the provisions of this Section, then Franchisee and Owner shall reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

9. Breach. The Parties hereby agree that each of the matters stated herein are important, material, and confidential, and substantially affect the effective and successful conduct of the business of Franchisor and its reputation, and goodwill. Any breach of the terms of this Agreement is a material breach of this Agreement, which will result in substantial and irreparable injury to Franchisor, for which the breaching party may be preliminarily and permanently enjoined and for which the breaching party shall also pay to Franchisor all damages (including, but not limited to, compensatory, incidental, consequential and lost profits damages) which arise from the breach, together with interest, costs and Franchisor's reasonable attorneys' fees (through final unappealable judgment) to enforce this Agreement. This Agreement does not limit any other remedies available at law or in equity available to Franchisor.

10. No Waiver. Franchisor may waive a provision of this Agreement only in writing executed by an authorized representative. No party shall rely upon any oral representations as to a waiver of any provision of this Agreement. No waiver by a party of a breach by another party

of any provision of this Agreement shall operate or be construed as a waiver of any subsequent breach by the breaching party.

11. Assignment. This Agreement is fully transferable by Franchisor. Franchisee, each undersigned Owner and Assignee may not assign, convey, sell, delegate, or otherwise transfer this Agreement or any right or duty hereunder without obtaining Franchisor's prior written consent.

12. Binding Agreement. This Agreement shall be binding upon the Parties' heirs and legal representatives. This Agreement shall be enforceable by the successors and assigns of Franchisor, any person or entity which purchases substantially all of the assets of Franchisor, and any subsidiary, affiliate or operation division of Franchisor.

13. Tolling. To ensure that Franchisor will receive the full benefit of this Agreement, the provisions of this Agreement will not run, for purposes of the prohibitions on any competition and solicitation, statute of limitations, or for laches, at any time that a party to this Agreement is actually acting in any way in contravention to this Agreement.

14. Headings. The paragraph headings of this Agreement are not a substantive part of this Agreement and shall not limit or restrict this Agreement in any way.

15. Choice of Law and Venue. This Agreement shall be construed in accordance with and governed for all purposes by the laws of Ohio. If any action or proceeding shall be instituted by any Party, or any representative thereof, all Parties and their representatives hereby consent and will submit to the jurisdiction of, and agree that venue is proper in Cuyahoga County, Ohio.

16. Severance and Reformation. In case any one or more of the provisions or restrictions contained in this Agreement, or any part thereof, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions or restrictions of this Agreement. In case any one or more of the provisions or restrictions contained in this Agreement shall, for any reason, be held to be unreasonable, improper, overbroad or unenforceable in any manner, it is agreed that they are divisible and separable and should be valid and enforceable to the extent allowed by law. The intention of the Parties is that Franchisor shall be given the broadest protection allowed by law with respect to this Agreement.

17. Entire Agreement. No change, addition, deletion or amendment of this Agreement shall be valid or binding upon either party unless in writing and signed by the parties. Insofar as matters within the scope of this Agreement are concerned, this Agreement is the entire Agreement between the Parties and replaces and supersedes all prior agreements and understandings pertaining to the matters addressed in this Agreement. There are no oral or other agreements or understandings between the Parties affecting this Agreement. Notwithstanding the foregoing, nothing contained herein shall limit, modify or revoke any covenants or obligations contained in the Franchise Agreement that by their terms survive Transfer or termination of the Franchise Agreement.

18. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original

19. Opportunity to Seek Independent Advice. The undersigned individuals recognize that this Agreement is an important document that affects their legal rights. For this reason, the Parties may wish to seek independent legal advice before accepting the terms stated herein.

IN WITNESS WHEREOF, the parties hereto affix their signatures and execute this Transfer Agreement as of the day and year first above written.

FRANCHISOR:

EAGER ENRICHMENT, INC.
An Ohio corporation

By:___________________________________
Its:___________________________________

FRANCHISEE:

____

By:___________________________________
Title:_________________________________

OWNERS:

____
Individually, and
on behalf of the Releasing Parties

____
Individually, and
on behalf of the Releasing Parties

ASSIGNEE:

____

By:___________________________________

-and-

____
__________________________, Individually

EXHIBIT H

Multi-State Addenda and Agreement Riders

INDIANA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF INDIANA

Additional Disclosures Required in Indiana

With respect to the information disclosed in Item 8 of the Disclosure Document:

a. Indiana Code ("IC") Section 23-2-2.7-1(1) prohibits us from requiring you (if you are a resident of Indiana or a non-resident who will operate a franchise in Indiana) to purchase goods, supplies, inventories, or services exclusively from us or sources designated by us where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by us. However, the (i) publication by us of a list of approved suppliers of goods, supplies, inventories, or services, (ii) the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by us, and/or (iii) our reasonable right to disapprove a supplier does not constitute designation of a source. This above prohibition does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by us.

b. IC Sections 23-2-2.7-1(4) and 23-2-2.7-2(6) prohibit us from obtaining money, foods, services, or any other benefit from any other person with whom you do business, on account of, or in relation to, the transaction between you and the other person, other than for compensation for services rendered by us, unless the benefit is promptly accounted for and transmitted to you.

With respect to the advertising-related information disclosed in Item 11 of the Disclosure Document, IC Section 23-2-2.7-1(11) prohibits us from requiring you to participate in any (i) advertising campaign or contest, (ii) promotional campaign, (iii) promotional materials, or (iv) display decorations or materials, at an expense that is indeterminate, determined by a third party, or determined by a formula, unless your Franchise Agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that you may be required to pay.

With respect to the information disclosed in Item 17 of the Disclosure Document:

a. IC 23-2-2.7-1(5) prohibits us from requiring you to prospectively asset to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability imposed by the Indiana Franchise Act.

b. IC section 23-2-2.7-1(7) prohibits the Franchise Agreement from permitting unilateral termination of your franchise if termination is without good cause or in bad faith. Good cause within the meaning of this paragraph includes any material violation of the Franchise Agreement.

c. IC section 23-2-2.7-1(8) prohibits us from failing to renew your Franchise Agreement without good cause or in bad faith. This provision does not prohibit your Franchise Agreement from providing that it is not renewable upon expiration, or that renewal is conditioned upon your meeting certain conditions specified in the Franchise Agreement.

d. IC section 23-2-2.7-1(9) prohibits us from requiring you to covenant not to compete with us for a period longer than three (3) years or in an area greater than the exclusive area granted by your Franchise Agreement.

e. IC section 23-2-2.7-1(10) prohibits the Franchise Agreement from limiting litigation brought for breach of the Agreement in any manner whatsoever.

f. The choice of law provisions of the Disclosure Document and Franchise Agreement, are subject to the superseding provisions of IC sections 23-2-2.5 and 23-2-2.7.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Indiana	
Michigan	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Eager Enrichment, Inc. offers you a franchise, it must provide you 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. Rhode Island requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. New York requires that we give you this disclosure document at the earlier of the first personal meeting, or 10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

If Eager Enrichment, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit A of this disclosure document.

The name, principal business address and telephone number of each franchise seller offering the franchise is as follows:

____
____
____

The issuance date of this disclosure document is: April 7, 2026.

The franchisor is Eager Enrichment, Inc., an Ohio corporation, located at 29677 Washington Way, Westlake OH 44145. Its telephone number is 800-231-7519.

Eager Enrichment, Inc. authorizes the agents listed in Exhibit A of this disclosure document to receive service of process for it.

I have received a disclosure document dated April 7, 2026, that included the following Exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Operations Manual Table of Contents
Exhibit D	List of Eager Enrichment Franchisees
Exhibit E	Financial Statements
Exhibit F	General Release Agreement
Exhibit G	Transfer Agreement
Exhibit H	Multi-State Addenda and Agreement Riders

______________________________ ______________________________
Date Signature of Franchisee

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Eager Enrichment, Inc. offers you a franchise, it must provide you 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. Rhode Island requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. New York requires that we give you this disclosure document at the earlier of the first personal meeting, or 10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

If Eager Enrichment, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit A of this disclosure document.

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________________________	________________________
Date	Signature of Franchisee