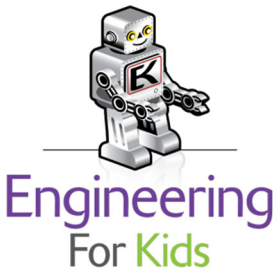


**FRANCHISE DISCLOSURE DOCUMENT**
**Engineering for Kids International, LLC**
**A Delaware limited liability company**
**100 York Boulevard, Suite 400**
**Richmond Hill, ON L4B 1J8**
**(855) 996-9977**
http://www.engineeringforkids.com
franchise@engineeringforkids.com

The franchise will offer educational activities, namely, providing seminars, classes, camps, workshops, conferences, and programs in the fields of math, science, technology, and engineering, using our business system and the "Engineering For Kids" trademarks.

The estimated total investment necessary to begin operation of an Engineering For Kids franchise is $71,200 to $139,750. This includes $30,000 that must be paid to us.

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 government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact David Riker, 100 York Boulevard, Suite 400, Richmond Hill, ON L4B 1J8, (855) 996-9977.

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

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

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

Date of Issuance: May 22, 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 Engineering for Kids 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 an Engineering for Kids franchisee?** | Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences. |
| **What else should I know?** | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents. |

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

## Some States Require Registration

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

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

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

This disclosure document describes a license to operate a franchised "Engineering For Kids" business as further described below. (For reference purposes in this Disclosure Document, we call the businesses in our system "Engineering For Kids" businesses as further described below.) The Franchisor is Engineering for Kids International, LLC ("**we**," "**us**," or "**our**"). "**You**" means the person or entity to whom we grant a franchise. If you are a corporation, partnership, limited liability company, or other entity, your owners must sign our "Guaranty and Assumption of Obligations," which means that all of our Franchise Agreement's provisions (Exhibit A of this disclosure document) will also apply to your owners. (See Item 15)

### The Franchisor

Engineering for Kids International, LLC is a limited liability company formed in Delaware on October 12, 2020. We are in the business of operating and franchising others to operate "Engineering For Kids" educational activity and program businesses that use our System (which is further described below) and the name "Engineering For Kids (our Proprietary Marks, which are described below) (each is an "**Engineering For Kids Business**" or "**Business**" or "**Franchised Business**"). We do business under our corporate name and the name Engineering for Kids. We do not conduct business under any other name. Our principal place of business is 100 York Boulevard, Suite 400, Richmond Hill, ON L4B 1J8. Our agents for service of process are listed in Exhibit C. We began offering franchises for Engineering for Kids Businesses in the United States in August 2021. As of December 31, 2025, there were 22 franchised Engineering for Kids Businesses in the United States. We have never offered franchises in any other line of business.

### Acquisition of the System, Our Predecessor and Background of the System

The "Engineering for Kids" franchise system was first developed and operated by our predecessor and its affiliate. On October 31, 2020 (the "**Acquisition Date**"), we became the franchisor of the "Engineering for Kids" franchise system through as asset purchase from EK Franchising Company ("**EKFC**") and Engineering for Kids, Inc. ("EFKI"). As of the Acquisition Date, we and our parent, LaunchLife USA, Inc. purchased the assets used in operating the franchise system, including all existing franchise agreements and international master franchise agreements, and the "Engineering for Kids" and related trademarks.

EKFC is a Virginia corporation that was formed on July 27, 2010. EFKI is a Virginia corporation that was formed on February 2, 2009. EKFC and EFKI have their principal place of business at 1320 Central Park Boulevard, Suite 201, Fredericksburg, Virginia 22401. EFKI operated the first Engineering For Kids Business in Stafford, Virginia from 2009 until the Acquisition Date. From September 2011 to the Acquisition Date, EKFC offered franchises for Engineering For Kids Businesses Except as stated, EKFI and EKFC never offered franchises in any line of business or conducted any other business.

### Our Parents and Affiliates

Our parents include our direct parent, LaunchLife USA, Inc. ("**LaunchLife USA**") (formerly named Academy of Learning USA, Inc.), with its principal business at 100 York Boulevard, Richmond Hill, Ontario, L4B 1J8 Canada. LaunchLife International Inc. ("**LLI**") and LaunchLife Holdings Inc. ("**LHI**") have been our indirect parents. On December 19, 2024, LLI and LLH were

amalgamated to form Launchlife International Inc., whose principal business address is the same as LaunchLife USA. Launchlife International Inc. is the parent of LaunchLife USA and our indirect parent.

As described below, we have affiliates that conduct other businesses, including some offering franchises in other lines of businesses. None of our affiliates offer franchises for Engineering for Kids Businesses or provide services to our franchisees.

*School is Easy*: Our affiliate, School Is Easy USA, LLC ("**SIE USA**"), is a limited liability company formed in Delaware on February 26, 2019, and has its principal business at our address. It began offering franchises for School is Easy Tutoring Businesses in the United States in April 2019. As of December 31, 2025, there were no School is Easy franchises operating in the United States. Our affiliate, School Is Easy Inc. ("**SIE**"), is an Ontario corporation which was formed January 1, 2019 by the merging of Academic Advantage Group Enterprises Inc. ("**AAGEI**") and School Is Easy Tutoring Group East Ltd. ("**SIETGE**"). SIE shares our principal business address. Through its predecessors AAGEI and SIETGE, SIE offered franchises in Canada since 2009 and 2014, respectively. As of December 31, 2025, there were seven franchised School is Easy Tutoring Businesses operating outside of the United States (with some licensed by subfranchisors). In 2017, AAGEI entered into a subfranchise agreement with an individual in California ("Affiliate SIE Subfranchisor") with a five or ten year initial term for the rights to develop and operate School is Easy Tutoring and Academic Advantage businesses. As of December 31, 2025, the Affiliate SIE Subfranchisor has not signed any unit franchise agreements with subfranchisees, and has no School is Easy Tutoring Businesses open and operating.

*Pitman Training*. Our affiliate, Pitman Training Group Limited, is a UK company formed on June 16, 2010, with its principal place of business at Pitman House Walkers Court Audby Lane Wetherby West Yorkshire LS22 7FD. It was acquired by LLI on November 30, 2018. Pitman Training Group Limited has offered franchises for independent training and testing in the United Kingdom and Ireland since 2010. As of December 31, 2025, Pitman Training Group Limited had 59 franchises outside the United States.

*Academy of Learning Career Colleges.* LLI has offered franchises for Academy of Learning Career Colleges in the continuing adult education services industry in Canada since 1987. As of December 31, 2025, there were 44 Academy of Learning Career Colleges franchises operating outside the United States.

Engineering For Kids Businesses and System.

Engineering For Kids Businesses provide educational activities, namely, providing seminars, classes, camps, workshops, conferences, and programs in the fields of math, science, technology, and engineering using specified business formats, methods, procedures, designs, layouts, standards, and specifications, items and products that we may designate or approve from time to time ("**Programs**"). The Programs have traditionally been conducted in person.

We own a distinctive set of specifications and operating standards and procedures (collectively, the "**System**") for Engineering For Kids Businesses. The distinguishing characteristics of the System include our professional image and high customer service standards; our standards, specifications and teaching methods for our Programs; Program materials, equipment, and supplies, which may include using course materials, supplies and equipment that are designed and prepared according to our proprietary standards (together "**Proprietary Materials**"); our techniques for marketing and scheduling Programs; standards and

specifications for educational materials and other related products for sale to customers ("**Authorized Products**"); and our techniques for identifying, recruiting and retaining qualified employees and instructors; the accumulated experience reflected in our training program and operating procedures, and distinctive exterior and interior design for those Engineering For Kids Businesses that operating from a central learning center. These are not necessarily all of the elements of the System. We may change, improve, add to, delete from and further develop the elements of the System from time to time.

We offer Engineering For Kids Businesses under our "**Learning Center Based Business**" format. Each site must meet our standards and specifications (each a "**Third Party Site**"). Third Party Sites may include facilities, such as community centers and parks and recreation centers, where the operator rents a portion of the facility for specific schedule of days or time slots, or other facilities, such as afterschool care centers and schools, at which the operator conducts Programs on a scheduled basis as an independent service provider. In addition to receiving a license from us to operate at Third Parties Sites, the operator establishes an instruction facility and office at a location that will serve as the operator's permanent base of operations, will be devoted entirely to the operation of an Engineering For Kids Business, and will bear exterior "Engineering For Kids" signage (a "**EFK Center Location**"). A franchisee may not establish an EFK Center Location unless the franchisee obtains our approval and completes the EFK Center Location Addendum to the Franchise Agreement. Unless otherwise indicated in this disclosure document, the term "**Authorized Location**" will refer to Third Party Sites and EFK Center Locations. Engineering For Kids Businesses may also offer and provide Programs and sell Authorized Products at the homes (or other facilities) of their customers (or persons who are referred by customers) Programs at Authorized Locations, so long as we have approved those Programs and Authorized Products for sale and use at children's parties, holiday and other celebratory events conducted outside of the Authorized Location(s) ("**Special Events Services**").

Our system includes the following products or services that we provide to our franchisees: utilization of the core class curriculum, availability to purchase optional class curriculum, availability of products and supplies, training and supervision. If you acquire a franchise, you must operate your Business and provide all services and products according to our business formats, methods, procedures, designs, layouts, standards, and specifications.

We identify the businesses operating under the System by means of the "Engineering For Kids" name and certain other trademarks, service marks, trade names, signs, logos, and other indicia of origin (collectively, the "**Proprietary Marks**"). We may designate other trade names, service marks, and trademarks as Proprietary Marks.

Unless otherwise defined in this disclosure document, all initially capitalized terms appearing in this disclosure document have the same meaning as set out in the attached Franchise Agreement, which is included as Exhibit A.

The Market and Competition

Your Franchised Business will offer products and services to the general public throughout the year and compete with other facilities tutoring and teaching math, science, technology and engineering educational activities and related educational enrichment programs. The market for your type of products and services generally is developed and very competitive. Despite this competition, we believe that Engineering For Kids Business appeal to consumers because of product and service quality. Because sales of coaching, teaching and tutoring service in Math, Science, Technology and Engineering Educational Activities generally increase when participants

are not in school, i.e. during holiday breaks or the summer months when school is not in session, therefore your sales volume may be seasonal even though the businesses operate on a year-round basis.

You will compete with other coaching, teaching or tutoring services and or facilities coaching, teaching or tutoring in Educational Activities, which may be franchised by other companies (which may be operated as part of regional or national brands) or may be non-chain independent operators.

Specific Industry Regulations

You are responsible for operating in full compliance with all laws that apply to the industry in which Engineering For Kids Businesses operate, including all state and local laws and regulations. This includes all laws and regulations that apply generally to all coaching, teaching or tutoring youth in math, science, technology and engineering educational activities businesses. You should investigate these laws and regulations. You must secure and maintain all necessary licenses, permits and certificates for the operation of the Franchised Business, as well as any other licenses applicable to the persons that you employ.

You must also comply with laws and regulations that are applicable to businesses generally, such as data collection and use, workers' compensation, OSHA, and Americans with Disabilities Act requirements; unemployment insurance; withholding and payment of Federal and State income taxes and Social Security taxes; and sales, use, and property taxes. The laws and rules that affect the operations of Engineering for Businesses may vary from location to location and over time.

## ITEM 2
## BUSINESS EXPERIENCE

Chief Executive Officer – Michael Macaluso

Michael Macaluso has been Chief Executive Officer of LLI since September 2025. He was Executive Vice President and Group President for Driven Brands Canada in Hamilton Ontario from September 2008 to August 2025.

Chief Financial Officer – Joshua Rocci

Joshua Rocci has been Chief Financial Officer for LLI since October 2025. He was Director, Strategy for Driven Brands Canada in Hamilton Ontario from November 2019 to October 2025.

Vice President of Development - Cody Haubrich

Cody Haubrich has been Vice President of Development for LLI since October 2025. He was Area Manager of Operations & Development for CARSTAR Canada located in Hamilton Ontario from April 2024 to October 2025. Mr. Haubrich was Area Sales Manager for SiteOne Landscape Supply located in Burlington Ontario from February 2019 to April 2024.

Vice President of Sales and Marketing – Jesus Laborit Ramos

Jesus Laborit Ramos has been Vice President of Sales and Marketing for LLI since October 2025. From March 2025 to October 2025, he was Vice President of Strategy and Operational Excellence – Franchise Segment for Driven Brand Canada located in Hamilton Onatrio. Mr. Ramos was Chief Operating Officer for Driven Brand Canada located in Hamilton Ontario from August 2021 to March 2025. He was Vice President, Strategy and Analytics for Collision and Glass Vertical located in Hamilton Ontario from May 2020 to August 2021.

Managing Director - David Riker

David Riker has been our Managing Director since January 2022. From January 2020 to January of 2022, he owned and operated DR Consulting located in Sussex, NJ.

Director, Franchise Development – John Rogers

John Rogers has been our Senior Director, Franchise Development since September 2024. He was a Director of Franchising/Corporate Sales at eSupply Canada in Toronto, Ontario from November 2022 to July 2024. From March 2021 to February 2023, Mr. Rogers was Director of Franchise Development for TaxAssist Accountants Canada in Toronto, Ontario. Mr. Rogers was a Business Development Manager from February 2018 to March 2021 for Tirecraft, Inc. in Ingersoll, Ontario.

## ITEM 3
## LITIGATION

No litigation is required to be disclosed in this Item.

## ITEM 4
## BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

## ITEM 5
## INITIAL FEES

Initial Franchise Fee

When you sign your Franchise Agreement, you will pay us an initial franchise fee ("**Initial Franchise Fee**"). The Initial Franchise Fee is currently $30,000 unless you qualify for one of the 10% discounts described below. The Territory granted will be for approximately 100 schools with grades including some or all of kindergarten through eighth grade. If you desire to add additional schools to the Territory, you must pay us $225 for each school. The Initial Franchise Fee must be paid in one lump-sum amount, will be fully earned when paid, and is non-refundable.

*Veteran's discount* – As a way to assist honorably discharged veterans of the U.S. Armed Forces in becoming a franchised business owner, we will reduce the Initial Franchise Fee for a standard Territory by 10% for qualifying veterans who enter into a Franchise Agreement with us.

*Existing Franchisee discount* – We also want to encourage our existing franchisees in good standing to develop additional Franchised Business. To do so, our current policy is that we

will reduce the Initial Franchise Fee by 10% for our franchisees who are in good standing, have been in operation for at least one year, and who enter into an additional Franchise Agreement with us. We may discontinue or alter this policy in the future.

Training Fee (for more than 2 trainees)

We will provide initial training and training materials for up to two trainees at no additional charge to you. If you send more than two people to initial training, we will charge you a $300 per day training fee for each additional person. Training fees are due to us before you begin initial training, and are uniform and non-refundable. You will be responsible for your trainees' travel, meal and lodging expenses. See Item 11 for more information on training.

Site Review Fee (if applicable)

As described further in Item 7 and Item 11, you must identify the physical site for your EFK Center Location. We will review your proposals for an EFK Center Location. We are not required to conduct on site evaluations of proposed sites, but we may do so if we deem it advisable. If we conduct a site evaluation, we have the right to charge you for that on-site evaluation, which amount will be our actual costs (but not less than $500). If applicable, this amount will be payable upon our invoice and will be non-refundable.

These fees are uniformly applied to all new franchisees in the manner described above.

## ITEM 6
## OTHER FEES

| Type of Fee (note 1) | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty Fees | The greater of: (a) the Applicable Royalty Rate(s) multiplied by the Gross Sales for the Period, or (b) a Minimum Royalty, which will be $300 per month beginning in the 7th month after you sign the Franchise Agreement.<br>See Remarks for the Applicable Royalty Rates. | Payable monthly (at this time) on or before the 5th day of each subsequent Period (note 2) | The "**Applicable Royalty Rates**" are (note 2):<br>• 7% of Gross Sales between $0 to $25,000 during the Period,<br>• 6% of Gross Sales between $25,000.01 to $50,000 during the Period, and<br>• 5% of Gross Sales in excess of $50,000 during the Period<br>"**Gross Sales**" means all of your revenue from operating your Franchised Business, but excluding taxes collected from customers and paid to taxing authority, and customer coupon sales (for which customers do not pay for complimentary or reduced price services or product) and refunds. |
| Advertising Obligations (note 3)<br>• Brand Fund<br>• Regional Fund | Maximum: 4% of your Gross Sales, plus (if applicable) the amount that your Minimum Local Ad | Same as Royalty for contributions to the Brand Fund | We may require you to contribute to a Brand and/or a "Regional Fund" and/or conduct and spend monies on local advertising. We currently require you to make contributions to the Brand |

| Type of Fee (note 1) | Amount | Due Date | Remarks |
|---|---|---|---|
| • Local Advertising expenditures | Spend exceeds your Local Ad Percentage Spend for the month.<br><br>Currently:<br>• Brand Fund: 2%; and<br>• Local advertising: the greater of: 2% of the Gross Sales (the "**Local Ad Percentage Spend**") or $100 per month (the "**Minimum Local Ad Spend**"). | | Fund and to directly spend monies on local advertising that you conduct. We can change the allocation between the forms of advertising. Please see Note 3 below and the Advertising section in Item 11. |
| Additional Training or Assistance (note 4) | Our then-current standard training fee for initial training (currently $300 per person, subject to change) | At the time of the additional training | Training/assistance fee subject to change.<br>You are responsible for all your costs including transportation, lodging, meals, and personal expenses. |
| Transfer Fee | $5,000 | At the time of transfer | If you want to transfer your Franchise Agreement or ownership, you must pay us this transfer fee. Paying this fee relieves the transferee from its obligation to pay a new initial franchise fee under the Franchise Agreement it must enter (for remainder of the term that applied under your franchise agreement). Transfers include, among other things, the sale of your franchise or an interest in your company. We will reduce the transfer fee to $1,400 in some circumstances where the transfer is of partial and non-controlling interests in your franchisee entity. |
| Renewal Fee | $3,500 | At the time of renewal | Renewal is subject to conditions and restrictions. |
| Technology Fee | Currently $200 per month | At same time as Royalty | We charge this fee for certain technology that we provide and/or may develop. We may increase this fee periodically, but any increases will not exceed $25 per month during any 12 month period. |

| Type of Fee (note 1) | Amount | Due Date | Remarks |
|---|---|---|---|
| Computer Systems, Maintenance and support | Currently $0 payable to us. May vary with cost of future service | As incurred | We or a required third party may charge you a fee for any proprietary software or technology (not otherwise covered by the Technology Fee) that we, our affiliates or a third party license to you and for other maintenance and support services that we or a third party might provide in the future. |
| Audit (note 5) | Our costs and expenses of audit (including reasonable accounting and attorneys' fees), plus interest on underpayment | Upon demand | Payable only if audit by us shows that you understated Gross Revenues by at least 2%. |
| Late Fee/Interest (note 6) | Greater of either a $25 late fee, or 1.5% per month interest on overdue amounts (but it will not be more than the maximum amount or rate allowed by law) | Upon demand | Applies only to late payment or report of Royalty fees and any other payments.<br>Only due if you don't pay us the amounts you owe on time or submit reports on time. Interest will be charged only on overdue amounts and will start to accrue on the date when the payment was originally due. |
| Insurance | You must reimburse our costs | 15 days after billing | If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us. |
| System Conference Fee | Varies (see remarks) | As billed before a conference | We may periodically hold conferences for our System franchisees. If we do so, we may require that you (or your Operating Principal) attend these conferences. We may charge reasonable registration or similar fees for the conferences (whether attendance is mandatory or optional). The mandatory fees for the conference will not exceed $400 per Franchised Business (or per person if multiple persons will attend from the Franchised Business). You will also be responsible for the costs that you (or your Operating Principal) and any other personnel incur in attending the annual conferences. |

| Type of Fee (note 1) | Amount | Due Date | Remarks |
|---|---|---|---|
| Temporary Management Fee | Will vary, currently $400 per person per day (plus travel and lodging expenses) | 15 days after your receipt of our invoice | See Note 7. |
| Enforcement Costs | Will vary under circumstances - Reasonable attorneys' fees, court costs and all expenses | Upon demand | Only payable if you are in default under the Franchise Agreement, in which case you must reimburse us for the expenses we incur (including reasonable attorneys' fees) as a result of your default and also to enforce and terminate the agreement.<br><br>In addition, you must reimburse us for the expenses we incur (including reasonable attorneys' fees), if we obtain an injunction or other relief to enforce any provisions under the Franchise Agreement against you. |
| Supplier/Product Testing | Cost of inspection and evaluation | On demand | Only payable if you propose a new supplier of products or services used in the business, and we inspect the supplier or test the supplier's products or services, we may charge you or the supplier for our costs in conducting those inspections or running those tests. |
| Indemnification | Will vary under circumstances | Upon demand | You must indemnify us, and reimburse us for our costs (including any settlement, judgment, as well as our attorneys' fees): (a) if we are sued or held liable in any case having anything to do with your business operations; (b) for any securities offering you propose or undertake; or (c) if we have to defend against a claim or pay damages because you made unauthorized or improper use of the Proprietary Marks. |

Notes:

1. General. We impose and collect all fees, except for certain local advertising that you will spend directly (see Item 11 for details) and except for product and service purchases described in Item 8. For all fees and charges, you must use the payment method we designate, which may include electronic funds transfer. All fees are non-refundable. All fees are uniformly applied to new system franchisees. However, in some instances in

which it is appropriate to do so, we may waive or modify these fees for a particular franchisee.

2. Royalty Fees, and Electronic Payment. You must pay your royalties and (if applicable) Advertising Contributions by 5th day of each Period (or the next business day if the 5th day is a federal holiday). The amounts will be based on the Gross Sales for the prior Period (but the Royalty payment will not be less than the "Minimum Royalty" when applicable). The Minimum Royalty requirement will not apply during the first six months after you and we sign the Franchise Agreement. Beginning in the seventh month after signing the Franchise Agreement, the "**Minimum Royalty**" will be equal to $300 per month. To qualify for the reduced Applicable Royalty Rates (e.g., those less than 7%), you must be in compliance with your Royalty and Brand Fund Contribution requirements.

   We have the right to require you to make these payments by means of ACH (electronic fund transfer). As described in the Franchise Agreement, unless we specify otherwise in writing to you, you will pay the royalties monthly and a "Period" is a Month, but we have the right (after giving you written notice) to change the designated Period to alternative time frames including bi-weekly or weekly. The term "**Month**" means a calendar month or another 4-5 week period that we may otherwise designate.

   If we require payment via wire transfer or electronic debit to your bank account, you must maintain sufficient balance in your operating account to meet the payment requirements. You must furnish us and your bank with all authorizations necessary to effect payment by the methods we specify. You may not, under any circumstances, set off, deduct or otherwise withhold any royalty fees, Advertising Contributions, interest charges, or any other monies payable under the Franchise Agreement on grounds of our alleged non-performance of any obligations.

   In addition to the Royalty Fee payment, you must also provide us with a correct statement of your Gross Sales for the Period just ended and any Period reports outlined in our Brand Excellence Manual (the "**Manual**"). You will also allow us to reasonably inspect your original books and records.

3. Advertising Obligations. The chart reflects the maximum percentage that we can require you to contribute and/or spend on advertising, whether in the form of contributions to the Brand Fund, contributions to a Regional Fund and/or as spending on local advertising (together the "**Advertising Obligations**"), and how we have currently set the Advertising Obligations. At this time, we have a Brand Fund in effect, but there are no Regional Funds in effect. See Item 11 for further details about the advertising and promotional requirements.

4. Training. For any training that we provide to you and your personnel, you are responsible for expenses incurred while they attend training, including salaries, benefits, travel, lodging, meals and other related expenses. We reserve the right to charge you for training additional personnel and for re-training persons who are repeating the course or replacing a person who did not pass. Additional details are in Item 11 of this disclosure document.

5. Audit. If an inspection or audit of your books and records and/or operations reveals that any payments due to us have been understated in any report, then you must pay us on demand the understated amount plus interest from the date this amount was due until paid. If an inspection or audit discloses an understatement of 2% or more for any given

month, or that you were offering unapproved programs or using unapproved curriculum, then you must also reimburse us for all costs and expenses, including accounting and attorney's fees, connected with the inspection or audit. The amount of audit costs will be determined by the auditors, legal advisors and other professionals who provide the audit services. These costs will vary based on the fees charged by these professionals, travel costs, the scope of the audit needed, the degree to which you cooperate in terms of providing information, the time it takes the auditors to review your records, and inflation.

6. Late Fee/Interest on Late Payments and Reports. If you do not make any payment or submit any report when due to us, you must pay us (in addition to the overdue amount) the greater of (a) a late fee of $25, or (b) interest on the overdue amount from the date. Interest starts to accrue when your payment was initially due. Interest rates will not exceed any maximum rate that may be imposed under applicable law. We also can apply any of your payments to any past due indebtedness of yours in the amounts and in the order we determine.

7. Management Fee. In order to maintain the continuity of operation of the Franchised Business and to preserve the integrity of the System, you must agree under the Franchise Agreement that if we request it, you will permit us to enter the premises of the Franchised Business and to operate and manage the Franchised Business ("**Management**" or "**Manage**") upon the occurrence of any of the following circumstances: (a) if you abandon or fail, or threaten to abandon or fail, to actively operate the Franchised Business for five or more consecutive days unless otherwise authorized by us; (b) if you fail to keep the Franchised Business open as required, or if you intend to close or notify any customers of your intent to close the Franchised Business, (c) if in our reasonable judgment the Franchised Business is in imminent risk of closure due to your financial condition or otherwise; (d) if you fail to complete scheduled Programs or services for clients or participants; (e) if any assets or equipment used in and required for the proper operation of the Franchised Business are repossessed or confiscated by appropriate authorities; and (f) upon the death or permanent disability of you, the Operating Principal, or an Owner of a controlling interest in you resulting, in our opinion, in your diminished capacity to properly operate the Franchised Business. If we chose to exercise this right, we will use reasonable commercial efforts to provide notice to you before exercising our rights to Manage, but we may enter the premises of the Franchised Business and commence Management even if you have not received or responded to a notice. We will have the right to manage the Franchised Business and to be compensated from the Gross Sales of the Franchised Business for all of our costs and expenses in conducting this Management. Our right to Manage the Franchised Business will be in addition to, and not instead of, all other rights available to us under the Franchise Agreement (including the right, if applicable, to terminate the Franchise Agreement).

## ITEM 7
## ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is To Be Made |
|---|---|---|---|---|
| Initial Franchise Fee (1) | $30,000 | Lump Sum | On signing Franchise Agreement | Us |
| Rent (2) | $7,500 - $15,000 | As agreed | As incurred | Landlord |
| On-site Location Review (3) | $0 - $500 | Lump sum | As incurred | Us |
| Leasehold Improvements (4) | $10,000 - $50,000 | As Agreed | As Agreed | Outside Suppliers |
| Furniture, Fixtures, and Equipment (5) | $5,000 - $7,500 | As Agreed | As Agreed | Outside Suppliers |
| Office Equipment and Supplies (6) | $1,150 - $3,700 | As Agreed | As Agreed | Outside Suppliers |
| Opening Inventory and Supplies (7) | $5,000 - $9,000 | As Agreed | As Incurred | Designated and Approved Suppliers |
| Classroom Laptop Computers (8) | $3,000 -$6,000 - | As Agreed | As Incurred | Outside Suppliers |
| Initial Marketing Campaign (9) | $2,500 Minimum | As Agreed | As Agreed | Advertising Sources |
| Training Expenses (10) | $900 - $1,500 | As Incurred | As Incurred | Third Parties |
| Insurance – 3 months (11) | $500 - $750 | As Agreed | As Agreed | Insurance Company |
| Business Licenses (12) | $50 - $200 | As Incurred | As Incurred | Government agencies |
| Professional Fees (13) | $1,000 - $2,000 | As Incurred | As Incurred | Third Parties |
| Utility Deposits | $0 - $500 | As Incurred | As Incurred | Third Parties |
| Technology Fee – 3 months | $600 | Electronic Fund Transfer | By 5th day of each month | Us |
| Additional Funds – 3 months (14) | $4,000 - $10,000 | As Incurred | As Incurred | Employees, Third Parties |
| TOTAL ESTIMATED INITIAL INVESTMENT (excluding real estate costs) (15) | $71,200 -$139,750 | | | |

Explanatory Notes

- Please review the above table together the notes that follow.
- None of the fees or costs estimated in this Item 7 are refundable except to the extent that you can negotiate with vendors. Payments to us are not refundable.
- Please note that we do not offer direct or indirect financing to you for any items or the Initial Franchise Fee (although we provide discounts to Initial Franchise Fee in certain circumstances as described in Item 5 of this disclosure document). The availability

and terms of financing from other sources will likely depend on factors such as the availability of financing generally, your creditworthiness, and the policies of lending institutions.

1. Initial Franchise Fee. The Initial Franchise Fee is currently $30,000 unless you qualify for one of the 10% discounts described in Item 5 The Initial Franchise Fee is described in greater detail in Item 5 of this Disclosure Document.

2 Rent. You must identify and secure a suitable site at which to develop and operate your EFK Center Location (this will be in addition to any Third Party Sites where you conduct Programs). We expect an EFK Center Location to occupy approximately 1,200 square feet of activities/offices space, with ¾ as front of the house and ¼ as back of the house. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and is generally considerably higher in large metropolitan areas than in more suburban or small town areas. EFK Center Locations can be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas. Generally, one month's security deposit is required under a lease. The figures in the table are based on estimated to range from $15 per square foot per month to $30 per square foot per year, and consist of a one month security deposit, one month pre-opening rent, and the first three months' rent - for a total of five months' rent. These estimates assume that the location for the EFK Center Location will be a leased, improved, unfurnished commercial space. We anticipate that you will rent the business's premises. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Franchised Business already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying.

3. On-Site Location Evaluation. As further described in Items 5 and 11, you must identify the physical site for your EFK Center Location. We will review your proposals for your EFK Center Location. We are not required to conduct an on-site evaluation of the proposed EFK Center Location, but we may do so if we deem it advisable. If we conduct an on-site evaluation, we have the right to charge you for that on-site evaluation, which amount will be our actual costs (but not less than $500). If applicable, this amount will be payable upon our invoice and will be non-refundable. See Item 11 under "Site Selection and Location Preparation" further information.

4. Leasehold Improvements. You will incur costs for leasehold improvements. Leasehold improvement costs, including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work, and space planner, architect's and contractor's fees, depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Business; and any construction or other allowances the landlord grants.

5. Fixtures, Furnishings & Equipment. These amounts include the furniture needed for the classroom, such desks, chairs, tables. Also included is shelving and the equipment necessary for the core class curriculum that you must use. We will determine the standards and specifications for the classroom furniture and equipment that you will need to purchase.

6. Office Equipment and Supplies. You must lease or purchase various office equipment and supplies for the operation of an Engineering For Kids Business as we specify in the Manual, including a computer, printer, facsimile machine, scanner, telephone, internet connection, related miscellaneous items, and software and related merchant and credit card processing gateway services (these will be part of a website interface that customers will use to sign up and pay for classes with your Franchised Business). We estimate that the cost of purchasing or leasing required computer system will be $1,000 to $2,000 if you do not already have the necessary components, and you must also pay a one-time set-up fee of approximately $150 to $200 to the vendor that will provide credit card processing gateway software and services.

7. Opening Inventory and Supplies. This includes consumables and non-consumables needed to teach your programs for the first three months.

8. Optional Classroom Laptop Computers. This includes a set of 8 classroom computers needed for curriculum fields that require computer use.

9. Initial Marketing Activity. We require that you spend at least $1,000 on Initial Marketing Activities during the first 3 months of operation of the Engineering For Kids Franchise. You can find additional details regarding advertising and promotion in Item 11 (under "Advertising").

10. Travel and Lodging for Training. The estimate is for out-of-pocket costs for travel, food and lodging costs for up to 2 people to attend 10 days of training, and the costs are paid to the providers of those services. The cost you incur will vary depending upon factors such as the distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and if any persons in addition to the two required will attend training.

11. Insurance. You must obtain and maintain certain types and amounts of insurance. (See Item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for 3 months.

12. Business Licenses. The estimate is for certain business licenses that you will need to obtain to operate the Franchised Business, including state incorporation, and state and local business permits. Your actual costs may vary depending upon the location of the Franchised Business, and the licenses and permits needed in that jurisdiction. Additionally, as described in Item 1, there may be laws and regulations and special licensing requirements in your area concerning instructing youth in extra-curricular extracurricular education activities and any such regulations may vary from state to state. As these types of laws may not apply in most areas for this type of business, the estimates above do not is correct reflect licensing fees specifically to these types of laws. You will be responsible for researching and obtaining all necessary licenses, permits and certificates for the operation of your Franchised Business.

13. Professional Fees. You may need to employ an attorney, accountant, and other consultants. Legal and accounting fees may include incorporating your company and setting up its books and records and reviewing the franchise documents. Your actual costs may vary, for example, depending on the degree to which you rely upon your

advisors, type of financing, lease negotiations (if any), and the permitting process in your city. The hourly rate for advisors, accountants, and legal professionals will also vary. We recommend that you consult with your own accountant, attorney, risk management and/or business advisor before making any decision to enter into a Franchise Agreement with us.

14. Additional Funds. Additional Funds is an estimate of the funds needed to cover business (not personal) expenses during the first 3 months of operation of an Engineering For Kids Business. You will need capital to support ongoing costs of your Franchised Business such as payroll, utilities, inventory, taxes, loan payments and other expenses. The estimates presented relate only to costs associated with the franchised business and do not cover any personal, "living", or other expenses you may have. New businesses (franchised or not) often have larger expenses than revenues. As with most businesses, your costs will depend on factors such as how much you follow our recommended systems and procedures, your technical, marketing and general business skills, local economic conditions, including disposable income, the local market for your business, competition, local cost factors and the sales levels achieved by you. This is only an estimate. It is possible that additional investment by you will be necessary during the 3 months of initial operation or afterwards. We do not authorize our salespersons or any other persons or entities to furnish estimates or otherwise as to the capital or other reserve funds necessary to reach "break-even" or any other financial position nor should you rely on any such estimates. The 3-month start-up period from the beginning of business does not necessarily mean that you will have reached "break-even" or any other financial position by that time. Our estimate is based on our general business experience and the experience of our predecessor (EKFC) and its affiliate.

15. Total Estimated Initial Investment. We relied on our prior experience in the business in compiling these estimates. These estimates are for your initial startup expenses through the first 3 months of operation. These figures are estimates and we cannot guarantee that you will not have additional expenses. No provision has been made for capital or other reserve funds necessary for you to reach "break-even" or any other financial position, nor do any of these estimates include any finance charges, royalties, marketing fees, interest or debt service obligation, taxes, salaries or payroll expenses that you may incur. Although we make no estimates or representations regarding financial performance of a Franchised Business, we recommend that, in addition to the additional funds shown, you have sufficient personal savings and/or income so that you are self-sufficient and do not need to draw funds from the Franchised Business to support your "living" and other expenses during the initial start-up phase and possibly longer. Total costs to begin operations and other financial requirements may be more or less than the figures specified above, depending on the size of business (number of employees, anticipated volume of business, etc.) that you intend to operate, as well as other factors such as: how well you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; any financing obtained, the local market for your services; the prevailing wage rate; competition; and the sales levels you are able to achieve. Since most, if not all, of these factors are outside our control, we do not estimate what your costs or financial results may be. We strongly recommend that you (1) obtain, before purchasing a franchise or making any other expenditures or commitments, independent estimates from third party vendors and your accountant of the costs which would apply to your proposed establishment and continued operation of a Franchised Business, and (2) carefully evaluate the adequacy of your total financial reserves.

## ITEM 8
## RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES\

You must operate the Business according to our System standards. System standards regulate, among other things: the services you may provide, and the types, models, and brands of equipment, furnishings, and signs you must use in operating the Business; and designated and approved suppliers.

### General Requirements

Authorized Services and Items

At all times during the term of the Franchise Agreement, you may offer customers only the services that we have expressly authorized in writing for Businesses to offer, and in doing so you will use only the Proprietary Materials, any other curriculum materials, and standards that we have approved for use in conducting the approved services. We have the right to change the authorized Programs and other services (provided that offering educational programs in the fields of math, science, technology, and engineering will remain as "**Core Programs**"), and we may designate specific Programs or services as optional or mandatory. We have the right to approve some Programs, services, equipment and other items for certain franchisees and not others based on legitimate business reasons.

We may develop or approve of Programs in addition to Core Programs. These other programs may in the future be deemed to be Core Programs, in which case they will become mandatory for you to offer or operate in connection with the Franchised Business; or these Programs will remain ancillary Programs, in which case they will be optional for you to offer or operate in connection with the Franchised Business. We may limit the number of ancillary Programs you conduct at the Franchised Business in addition to the Core Programs. You must not offer any Programs or services in connection with the Franchised Business that are not approved Programs or services. We may revoke our approval of any Program, curriculum and materials, and if we do so, you will be required to discontinue further offer or use of the disapproved Programs and materials. We identify the approved Programs in our Manual and related materials (we refer to the list of approved program offerings as our "Curriculum Catalog").

Without limiting the information above that applies generally to the Programs, we have developed virtual programs as an additional method of conducting business that may be offered from time to time as we authorize. The virtual programs are not intended to be permanent replacement for in-person Programs and Engineering for Kids Businesses must resume offering in-person Programs as we require. We have the right to discontinue any or all virtual programs. We may designate some or all virtual programs as Core Programs or to make them optional.

Suppliers and Specifications in General

We have the right to require that all Proprietary Materials (which may include course materials, supplies and equipment designed and prepared according to our proprietary standards), Authorized Products (which may include other educational materials and other related products for sale to customers), and any other services, products, supplies, materials and equipment that you use in the operation of the Franchised Business or resell through your Franchised Business: (a) meet specifications that we establish from time to time; and/or (b) be purchased only from suppliers that we have expressly approved; and/or (c) be purchased only from a single source (which may include us or our affiliates or a buying cooperative that we

organize). To the extent that we establish specifications, require approval of suppliers, or designate specific suppliers for particular items, we will publish our requirements in the Manual.

In connection with any items or services for which we specify designated or approved suppliers, we may require that the manufacturers and suppliers demonstrate that they possess the ability to meet our standards and specifications and adequate quality controls, and the capacity to supply your needs promptly and reliably. When considering whether to approve suppliers for the System, we may consider any other factors we consider relevant, including factors relating to the price and quality of the products or services and the reliability of the supplier. We may approve a single supplier for any brand and may approve a supplier only as to a certain brand or brands. We may concentrate purchases with one or more suppliers to obtain the lowest prices or the best advertising support or services for any group of Businesses in the System. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, standards of service, including prompt attention to complaints, and concentration of purchases, as described above. Approval may be provisional, pending our further evaluation of the proposed supplier. We do not provide written criteria for approving suppliers to our franchisees, but we will consider the factors and issues described above in evaluating potential suppliers. We may formulate and modify standards and specifications based on our, and our affiliates' and our franchisees' experience. We may designate ourselves or an affiliate as an exclusive or nonexclusive supplier of any goods or services used in connection with operating the Businesses.

We may enter into arrangements with manufacturers of Proprietary Materials, Authorized Products, supplies and materials as well as equipment (together "**Products**") to make those Products available to Engineering For Kids Businesses at favorable prices and other terms. If so, we will use our best efforts to maintain purchasing arrangements for Products throughout the term of this Agreement, although we do not represent or guarantee that Products will be available on any specific terms. In order for us to negotiate favorable arrangements with suppliers of Products, it is beneficial for all Engineering For Kids Businesses to combine their purchasing power. Accordingly, if we establish these types of arrangements, you must purchase all of your requirements of Products from the suppliers with whom we have established purchasing programs for Engineering For Kids Businesses. You agree to purchase Products solely for the operation of your Franchised Business and conducting Programs and not for use in any other business or resale or redistribution to any other party.

If you would like to offer programs or to use curriculum and related materials that we have not approved, you must submit a written request to us. The submission must include lesson plans, materials to be used and any other items as we may reasonably request to evaluate your submissions. In reviewing your request, our evaluation criteria will typically include quality of the services and products, our brand standards, customer experience, and trademark issues. We may also require modification to the proposed program and materials. If we approve a request, we may do so on a limited or test basis. We may authorize any new programs and materials for use by the entire system.

If you would like to offer or use other services or products that we have not approved or purchase from a supplier that we have not approved, you must submit a written request for approval. We have the right to inspect the proposed supplier's facilities and/or test samples of the proposed products. You agree to pay us an amount not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product, including personnel and travel costs, whether or not we approve the supplier. We have the right to grant, deny, or revoke approval of programs, curriculum materials, products, services, and suppliers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our

evaluation. We reserve the right to reinspect the facilities and products of any approved supplier and to revoke approval upon the supplier's failure to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to cease purchasing products from the disapproved supplier and, in the case of revocation based on failure of products to meet our standards, you agree to dispose of your remaining inventory of the disapproved supplier's products as we direct. If a new product or service is approved, it will become our property.

Although the Franchise Agreement does not obligate us to notify you of our approval or disapproval of a supplier within a specified time, we estimate that we will notify you of approval or disapproval within 30 days of our receipt of your written request. This is only an estimate, and the actual approval time may be shorter or longer than 30 days; in any event, we will notify you in writing of supplier approval or disapproval within 60 days from our receipt of your written request. We may revoke our authorization of item, service or supplier at any time in the Manual or otherwise in writing.

Specific Requirements in Effect.

*Program Materials*. We provide the instruction materials or curriculum for all of the Programs approved for use by Businesses at this time, as well as additional curriculum fields that we may create, or approve based upon requests from franchisees, and make available from time to time as additional approved Programs. We do not charge you a separate fee for these instruction materials (you must pay us the Royalty Fee as described in Item 6). As described above, we maintain a Curriculum Catalog that identifies the Programs that are approved, which we may update periodically to reflect any new Programs that are approved, as well as any other changes or removal of any previously approved Programs. We have not approved any other Programs or instruction materials.

*Computer System*. You must obtain and use the computer hardware and/or operating software and/or communications capabilities we specify from time to time (the "**Computer System**"). We may modify specifications for and components of the Computer System. The Computer System is described in more details in Item 11, and the estimated costs are described in Items 6 and 7. You must also obtain for use in conducting the Programs laptop computers and tablets. You may obtain these items for suppliers of your choice provided that the items meet our standards and specifications.

*Insurance*. You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You currently must have general liability insurance, which can include bodily injury liability (for injuries to other people in connection with your business), property damage (for damage to the property of others), personal injury liability (for wrongful entry, libel, slander, false arrest), advertising liability (for publishing inaccurate information resulting in slander or libel, violation of privacy, wrongful copying and infringement), legal defense, product liability, products/completed operations, and contracts. Coverage may vary depending on space, size or location, of your Business. Please discuss with your landlord or property owner the required minimums for your location, any coverage required by law, or by your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us as an additional insured party.

| | | |
|---|---|---|
| General Liability | $1,000,000 | Per Occurrence |
| | $3,000,000 | In the Aggregate |
| Fire Damage | $100,000 | Not less than per Occurrence |
| Medical Expense | $5,000 | Not less than Per Person |
| Automobile Liability (bodily injury and property) | $1,000,000 | Combined limits (including coverage for non-owned auto exposure) |
| Workmen's Compensation | As required by law | For 12 months actual loss sustained |
| Business Interruption (applies only if you have a Learning Center) | $20,000 | Not less than Per Month |
| Comprehensive Crime & Employee Dishonesty | $10,000 | Per Occurrence |
| Educators Legal/Sexual Molestation | $1,000,000 | Per Occurrence and Aggregate |

*Advertising Materials*. Before you use them, any advertising, promotional, and marketing materials (in any form or format) that we have not prepared or previously accepted, you must send us samples for review. If you do not receive written rejection within 10 days after we receive the materials, they are deemed to be accepted. You may not use any advertising, promotional, or marketing materials that we have not accepted or that we have rejected.

For other goods, services, supplies, fixtures, equipment, inventory, you must comply with our standards and specifications. But, at this time, we have not designated any suppliers that you must use for these items.

None of our officers owns an interest in any companies that are currently vendors or suppliers to our franchisees. At this time, neither we nor any affiliate is an approved supplier of goods or services to franchisees (as noted above, we provide the instruction materials for the programs, but there is no separate charge for this).

Supplier Rebates.

We reserve the right to collect and retain certain rebates, credits, monies, payments and benefits offered to us or to our affiliates by suppliers based upon your purchases of products and other goods and services. We or an affiliate may from time to time charge suppliers a fee as a percentage of franchisee purchases or a flat fee charge. We currently do not have any such arrangements in effect. These payments would compensate us for the cost of negotiating and maintaining the purchasing arrangements with the suppliers.

Required Purchases or Leases as Percentage of Overall Purchases or Leases

Collectively, the purchases and leases from us, designated and/or approved suppliers, or otherwise in accordance with our specifications described above are about 90% of your overall purchases and leases in establishing the Franchised Business and 30%- 40% of your overall purchases and leases in operating the Franchised Business.

During fiscal year 2025, neither we or our affiliates or EKFC nor any of its affiliates derived any revenue from selling items to franchisees, nor did we or they receive any rebates from suppliers on account of purchases of required and approved items by franchisees. We reserve the right to receive such payments in the future.

Purchasing or Distribution Cooperatives and Purchase Arrangements

There currently are no purchasing or distribution cooperatives. We may negotiate purchase agreements with suppliers (including price terms), for the benefit of the franchise system.

We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular 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(s) in Franchise Agreement | Disclosure Document Item |
|---|---|---|---|
| a | Site selection and acquisition/lease | 4.1 and 4.2, and EFK Center Location Addendum | 7 and 11 |
| b | Pre-opening purchases/leases | 6 | 7 and 8 |
| c | Site development and other pre-opening requirements | 4.3 and 4.4 | 7 and 11 |
| d | Initial and ongoing training | 5 | 11 |
| e | Opening | 4.6 | 11 |
| f | Fees | 2.2.5, 3, and 14.4, and 2.3 of EFK Learning Center Addendum | 5 and 6 |
| g | Compliance with standards and policies/Manual | 6.1, 6.2, 6.3 and 11 | 11 |
| h | Trademarks and proprietary information | 10 and 12 | 13 and 14 |
| i | Restrictions on products/services offered | 6.2 and 6.3 | 16 |
| j | Warranty and customer service requirements | 6.7 and 6.8 | 11 |
| k | Territorial development and sales quotas | 1.2, 1.4, and 15.3.7 and Appendix A | 12 |
| l | Ongoing product/service purchases | 6.3 | 8 |
| m | Maintenance, appearance and remodeling requirements | 2.2.4 and 6.4 | 11 |

| | Obligation | Section(s) in Franchise Agreement | Disclosure Document Item |
|---|---|---|---|
| n | Insurance | 6.13 | 7 and 8 |
| o | Advertising | 9 | 6 and 11 |
| p | Indemnification | 19 and Guarantee | 6 |
| q | Owner's participation/ management/staffing | 6.5 and 6.12 | 11 and 15 |
| r | Records/reports | 8 | 6 |
| s | Inspections/audits | 6.10 and 8.3 | 6 and 11 |
| t | Transfer | 14 | 17 |
| u | Renewal | 2.2 | 17 |
| v | Post-termination obligations | 16 | 17 |
| w | Non-competition covenants | 17 | 17 |
| x | Dispute resolution | 25 | 17 |
| y | Taxes/permits | 3.7 | 1 |
| z | Other: Personal Guarantee | Appendix B | 15 |

## ITEM 10
## FINANCING

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

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

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

Pre–opening Obligations

Before you open your Franchised Business:

1. We will furnish you with our standard site selection guidelines, including our minimum standards for Third Party Sites. (Section 4.1 of Franchise Agreement) We will furnish you with our standard site selection guidelines, including our minimum standards for an EFK Center Location. (Section 2.1 of the EFK Learning Center Location Addendum) Unless otherwise noted, the term "**Authorized Location**" applies to both the Third Party Sites that you secure in accordance with our standards and procedures and (if applicable to your business) to the location that we approve to serve as your EFK Center Location.

2. We will furnish you with the general design plans and a basic layout to use at the Authorized Locations. To the extent necessary, you must prepare each Authorized Location for operation as an Engineering For Kids Business at your own expense. To the extent that we establish specifications, or designate suppliers for particular services, products, supplies, materials and equipment that you use in the operation of the

Franchised Business or resell through your Franchised Business, we will provide this information to you via the Manual. (Sections 4.3 and 6.3 of Franchise Agreement)

3. We will review your proposals for an EFK Center Location and (if we deem advisable) conduct on-site evaluations in response to your request for our approval of a proposed EFK Center Location. (Section 2.3 of the EFK Learning Center Location Addendum). You are responsible for finding your own site (see below in this Item under "Site Approval Process").

4. We will provide you with: (a) our general plans, specifications and layouts for an EFK Learning Center Location, including requirements for dimensions, design, image, interior layout, décor, operating assets, and color scheme, that you must incorporate into your Learning Center Location, and (b) our specifications for equipment, furnishings, fixtures, and signage that you must incorporate into your Learning Center Location. (Section 5.1 of the EFK Learning Center Location Addendum). We will not help you in constructing, remodeling, or decorating the premises otherwise. These plans are in addition to the standard site selection guidelines for Third Party Sites (which will also provide as described in paragraph (1) above for your activities at Third Party Sites).

5. Before you begin operating, you (or the Operating Principal, if you are a corporation or other entity), and a manager of the Franchised Business (if you will have an additional manager) (the "**Designated Employees**") must all attend and successfully complete our initial training program at our headquarters or another location that we specify. (Additional information about training can be found below in this Item 11 under "Training.") We will be responsible for the cost of instruction and materials, subject to the terms stated in the Franchise Agreement. (Franchise Agreement, Section 5)

6. We will allow you access, for the duration of the Franchise Agreement, to our "Brand Excellence Manual" (which is more fully described in Item 14 below), which will include the instruction materials for the Programs. (Franchise Agreement, Section 11) A copy of the current table of contents to the Manual is in Exhibit F. As of the date of this disclosure document, the Manual contains 23 pages.

7. We will advise you in connection with the Initial Marketing Campaign that you will conduct. (Franchise Agreement, Section 9.8)

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

Our Obligations After You Begin Operating

During the operation of your Franchised Business.

1. We may conduct, as we deem advisable, periodic inspections of the Franchised Business, and may evaluate the services rendered and products sold by your Franchised Business. (Franchise Agreement, Section 6.10)

2. We will offer you additional mandatory or optional training programs, if we determine them to be appropriate. We may charge a reasonable training fee for additional training programs, whether mandatory or optional. (Franchise Agreement, Section 5.2)

3. We will make available to you information about new developments, techniques, and improvements in the areas of operations, management, and marketing, to the same extent as we make the information available to other Engineering For Kids Business franchisees in good standing. We may provide this information through the distribution of printed or filmed material, an Intranet or other electronic forum, meetings or seminars, individual or group counseling, training programs, telephone communications, or other forms of communications. Limited on-site assistance to you will be permitted if we have resources available. (Franchise Agreement, Section 6.14)

4. We will administer the Brand Fund and Regional Fund (if we establish a Regional Fund), as described below in this Item. (Franchise Agreement, Sections 9.1 - 9.4)

Neither the Franchise Agreement nor any other agreement, requires us to provide any other assistance or services to you during the operation of the Franchised Business.

Training

If this is your first Engineering For Kids Business, you (or the Operating Principal, if you are a corporation or other entity) and any other Designated Employee must attend and successfully complete, to our satisfaction, the initial training program that we offer on operating an Engineering For Kids Business. The training is conducted at designated locations (such as conferenced facilities) or virtually.

If you or your personnel fail to complete initial training to our satisfaction, you or they may repeat the course or may send a substitute to the next available scheduled training session. We reserve the right to charge you a reasonable fee for initial training for substitute personnel. We have the right to reduce the duration or content of the training program for any trainee who has prior experience with our concept or in similar businesses. We also have the right to allow you to train certain of your Designated Employees and successors in those positions at the location of your Franchised Business. Failure to complete the initial training program constitutes grounds for termination of the Franchise Agreement.

We will provide instructors, facilities, and materials for the initial training programs at no charge for training up to two people (provided that all of your personnel are trained during the same training session). Additional people beyond the first two may attend initial training if you pay our then current training charge for each additional person (currently $300 per person, subject to change). We reserve the right to charge a reasonable fee for re-training persons who are repeating the course or replacing a person who did not pass. You will bear all expenses incurred in attending training (including the initial training program and refresher training programs), such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance (see Items 6 and 7 of this disclosure document).

Training will occur after you sign the Franchise Agreement and while you are preparing the Business to begin operating. Your attendees must complete training before you may open your Business. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel on an as needed basis, so that you can attend training as needed for you to begin operating your Business within 120 days from the effective date of the Franchise Agreement.

As of the date of the date of this disclosure document, the subjects covered in the initial training programs are described below:

## PRE TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On-The-Job Training | Location |
|---|---|---|---|
| BE Manual Review | 2.0 | 0.0 | Remote Training |
| Business Review | 1.0 | 0.0 | Remote Training |
| Marketing Research | 3.0 | 0.0 | Remote Training |
| Brand Usage Guide Review | 1.0 | 0.0 | Remote Training |
| Curriculum Introduction and Lesson Review | 3.0 | 0.0 | Remote Training |
| Business Set-Up | 5.0 | 0.0 | Remote Training |
| **Total** | **15.0** | **0.0** | |

## FACE TO FACE TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On-The-Job Training | Location |
|---|---|---|---|
| EFK Brand, Marketing Overview and Sales Training | 2.0 | 0.0 | Remote Training or as designated |
| Initial Marketing Campaign | 3.0 | 0.0 | Remote Training or as designated |
| Business Best Practices | 2.5 | 0.0 | Remote Training or as designated |
| Computer System/Software and Technology | 2.0 | 0.0 | Remote Training or as designated |
| Customer Service | 1.5 | 0.0 | Remote Training or as designated |
| Personnel/ HR | 1.5 | 0.0 | Remote Training or as designated |
| Engineering For Kids Curriculum | 7.5 | 0.0 | At a host Engineering For Kids program, or Remote Training or as designated |
| **Total** | **20.0** | **0.0** | |

## POST TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On-The-Job Training | Location |
|---|---|---|---|
| Learning EFK | 3.0 | 0.0 | Remote Training |
| Developing Marketing Strategy | 6.0 | 0.0 | Remote Training |
| Locations and Negotiating Programs | 4.0 | 0.0 | Remote Training |
| Supply Ordering and Management | 2.0 | 0.0 | Remote Training |
| Hiring and Staff Management | 2.0 | 0.0 | Remote Training |
| Final Steps to Offering Programs | 3.0 | 0.0 | Remote Training |
| Sales Training | 28 | 0 | Online Learning |
| **Total** | **48.0** | **0.0** | |

Jonathan Hayes is responsible for running our training programs. Jonathan has more than 20 years of experience in the education franchising sector, including franchisee training and development and franchise support. Jonathan is also responsible for the development of numerous processes, manuals and franchisee support resources.

We may use additional staff to assist in training. These individuals have generally between one-half to four years of experience with us or our affiliate, and three to thirteen years in the subjects for which they will provide instruction. A printed copy of the Brand Excellence Manual will be the principal instruction material, and we also use other handouts and training videos.

Training classes are held on an as-needed basis at a designated training facilities (which may include locations with conference facilities) or remotely. You will be responsible for any costs that you and your trainees incur, including your travel and living expenses, in attending the initial training program and any additional training programs.

You (or your managing owner), and/or other previously trained and experienced employees must also attend and satisfactorily complete various training courses that we periodically provide at the times and locations we designate. We will not require attendance for more than a total of 10 days during a calendar year. Besides attending these courses, we may require that you must attend an annual meeting of all franchisees at a location we designate. We will not require attendance at the annual meeting for more than 3 days during any calendar year. You are responsible for all related travel and living expenses and wages.

Additionally, in the future, we may hold annual conferences for our System franchisees at such place as we designate. If so, we may require that you (or your Operating Principal) attend these conferences and we may charge reasonable registration or similar fees for the conferences (See Item 6). You will be responsible for any costs that you and your personnel incur, including your travel and living expenses, in attending the annual conferences.

Site Selection and Location Preparation

As described in Items 1 and 5, the requirements for sites and location development depend on which format of business you will operate.

Within 60 days after signing the Franchise Agreement (the "**Search Period**"), you must identify and obtain the right to use a location at your own expense. As described above, we will provide you with our minimum standards for EFK Center Locations. We have no other obligation to provide assistance in selecting or securing a site and do not lease premises for centers. You must obtain our written approval of the proposed location before you commit to it. You must notify us of the proposed site and submit a site review report, including photographs, demographic information, and other information that we may require. Within 30 days after we receive the information, we will approve or reject the proposed site in writing. If we disapprove a proposed site, you can submit another proposal. Once you obtain the right to use an approved site, it will be your "Authorized Center Location."

In evaluating your proposed site, we will consider demographic data you provide, as well as other information regarding the characteristics of the location and area. This will include square footage of dedicated space available, signage and visibility, access, condition of the building where the site is located, and the availability of parking. If you used your best efforts, but have not identified a suitable site that we approve by the end of the Search Period, we may extend the Search Period by up to 60 days. If you fail to acquire or lease a site for your EFK Center Location within the Search Period, you will be in default under the Franchise Agreement, and we will have the right to terminate the Franchise Agreement.

After we have approved your site, you must prepare the Authorized Center Location for operation of as an Engineering For Kids Business at your own expense, including all construction, remodeling, furnishing, decorating, and equipping according to our requirements, including requirements for dimensions, design, image, interior layout, décor, and color scheme, equipment, furnishings, fixtures, and signage. You will prepare any architectural and working drawing necessary to complete the development of your EFK Center Location at the Authorized Center Location. We must approve all plans before you begin construction or build-out.

Time Period for Opening

We estimate that the time from signing the Franchise Agreement until you begin operating your Franchised Business will be approximately 60 to 120 days. The specific timetable for opening depends on the availability of suitable sites to be Authorized Locations, a site's condition; the construction schedule; the extent to which you must upgrade or remodel an existing location (for EFK Center Locations); the delivery schedule for supplies and equipment; completing training; and complying with local laws and regulations. You may not begin operating the Business until: (1) we notify you in writing that the Business meets our standards and specifications; (2) you complete pre-opening training to our satisfaction; (3) you pay the Initial Franchise Fee and other amounts then due us; and (4) you give us certificates for all required insurance policies. Subject to these conditions, you must open the Business within 180 days after the effective date of the Franchise Agreement. (Franchise Agreement, Section 4.6) If you have not obtained our approval, completed all re-opening requirements to begin operating by the Opening Deadline and actually begin operating by that date, and we have not extended the deadline, we will have the right to terminate the Franchise Agreement. For this purpose, you will "begin operating" when you book reservations with fee-paying customers for Programs with a scheduled starting date that

is not more than 45 days after the date you first make the Programs available for booking reservations.

## Advertising

*Initial Marketing Campaign*

As discussed in Item 7, you must conduct an initial marketing campaign for the Franchised Business throughout the first three months of operating the Franchised Business. You must spend at least $2,500 in connection with the Initial Marketing Campaign (this amount will count towards your ongoing local advertising requirement for the first three months). You must obtain our approval before implementing any advertising plans or making any use or placement of advertising and promotional materials as part of the Initial Marketing Campaign. The Initial Marketing Campaign may not be sufficient in all cases to develop adequate exposure to the services offered by your Franchised Business, and that it may be necessary for you to supplement the Initial Marketing Campaign with additional initial advertising and promotional expenditures and efforts.

*Ongoing Advertising*

For each Period (currently a Month) during the term of the Franchise Agreement, you must satisfy the Advertising Obligations. The Advertising Obligations may be in the forms of: (1) contributions to a Brand Fund; (2) contributions to a Regional Fund; and/or (3) expenditures by you on local advertising. We will periodically designate: (a) the amount of your total Advertising Obligations provided that the amounts that we require will not, in the aggregate, exceed 3% of your Gross Sales, plus (if applicable) the amount by which the Minimum Local Ad Spend exceeds your then-current Local Ad Percentage Spend for that month; and (b) how the total of the Advertising Obligations are allocated between the three components.

Currently, the Advertising Obligations are allocated so that you must (1) contribute 2% of your Gross Sales to the Brand Fund, and (2) spend on local advertising an amount equal to the greater of 2% of your Gross Sales (the "**Local Ad Percentage Spend**") or $100 per month (the "**Minimum Local Ad Spend**"). The Local Ad Percentage Spend (or if applicable the Minimum Local Ad Spend) is the amount that we require you to spend on local efforts that you conduct, but you may choose to spend more on local advertising, and any additional amounts that you spend will not count towards your requirement to contribute to the Brand Fund. At this time, there are no Regional Funds. When we change the Advertising Obligations, we give you reasonable written notice to you, and your total Advertising Obligations (whether as contributions and/or expenditures) will not exceed 3% of your Gross Sales (plus, if applicable, the amount by which the Minimum Local Ad Spend exceeds your then-current Local Ad Percentage Spend for that month). The Advertising Obligations are the amounts that we may require you to contribute or spend on advertising. The required amounts may not be sufficient in all cases to develop or maintain adequate exposure to the services offered by your Franchised Business. You may, in your business judgment, choose to spend additional amounts on advertising to promote your Franchised Business and the services you offer in your Territory, so long as your advertising activities are in compliance with the Franchise Agreement. If you spend monies on local advertising in excess of the amounts that we require as part of the Advertising Obligations, the additional amounts will not be applied to, or otherwise reduce, your obligations to contribute amounts to the Brand Fund or, if applicable, a Regional Fund for any Period. We are not required to spend monies on advertising in your Territory or any specific area.

*The Brand Fund*

We established a special fund called the "Brand Fund." The Brand Fund is for the benefit of all franchisees and company or affiliate-owned Businesses that contribute to it. We have the exclusive right to maintain, operate, and administer the Brand Fund as follows. (Franchise Agreement, Section 9.3).

During any periods that the Brand Fund is in effect, you must contribute the amounts that we specify to the Brand Fund as described in the first paragraph above under "Ongoing Advertising". We may use your contributions and any earnings on the Brand Fund for any costs associated with local, regional, and/or national advertising, marketing, public relations, and/or promotional programs and materials, and any other activities we believe would benefit Franchised Businesses and "Engineering For Kids" brand and the System generally, including advertising campaigns in various media; creation and maintenance of online marketing (including one or more websites or other Online Sites (as defined below), social media/networking and other digital media); direct mail advertising; market research and testing, including secret customers and customer satisfaction surveys; employing advertising and/or public relations agencies; purchasing promotional items; conducting and administering promotions, contests, giveaways, public relations events, community involvement activities, etc.; providing promotional and other marketing materials and services to our franchisees; and development of, or producing for franchisees, materials and items used in the Businesses for customer viewing and use; and on materials and/or services designed to promote the brand and employment opportunities in order to facilitate selection and hiring of qualified staff. We have the right to deduct from the Brand Fund 15% of the monies in the Brand Fund on contributions for administration and management of the Brand Fund. We have the right to direct all marketing programs, with the final decision over creative concepts, materials and media used in the programs and their placement. The Brand Fund contributions may be used for national, regional and/or local advertising activities and may take place in a variety of media (including television, radio, and print).

We will deposit all contributions to the Brand Fund in an account separate from our other funds and will not use them to defray any of our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including full or partial salaries of our personnel who devote full- or part-time to Brand Fund activities). Additionally, we may charge the Brand Fund fees at reasonable market rates for advertising, marketing, and promotional services that we ourselves actually provide in lieu of engaging third-party agencies to provide such services.

We may make, or refrain from making, any expenditures for advertising and promotional activities. In any calendar year, we may spend more or less than that year's aggregate Advertising Contributions to the Brand Fund. We may have the Brand Fund borrow from us or other lenders to cover any Brand Fund deficits. We may have the Brand Fund invest any surplus for the Brand Fund's future use.

We control the concepts and materials and all other matters relating to advertising, public relations, marketing, market research, and promotional campaigns. We may, however, spend the advertising contributions only for authorized purposes. Advertising contributions are intended to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System as a whole. In administering the Brand Fund, we need not make expenditures for you that are equivalent or proportionate to your advertising contributions or insure that you benefit directly or pro rata from advertising or promotion conducted in connection with the advertising

contributions. Any promotional materials produced with Brand Fund monies will be made available to you at a reasonable cost, and the proceeds of such sales will also be deposited in the Brand Fund account.

The Advertising contributions belong to the Brand Fund; they are not our asset. We are not required to have an independent audit of the System Fund completed. We will make available an unaudited statement of contributions and expenditures for the Brand Fund 90 days after the close of our fiscal year to franchisees that make a written request for a copy. With respect to the maintaining, operating, or administering the Brand Fund, we are not a trustee or fiduciary and assume no other direct or indirect liability or obligation to you.

At any time, we may stop collecting and disbursing advertising contributions and terminate the Brand Fund. It will not be terminated, however, until all monies in the fund have been expended for marketing purposes.

The Brand Fund will not expend any money for advertising that is principally a solicitation for the sale of franchises. We do not currently operate any Businesses, but our affiliate currently operates two Businesses. Our current policy is that we or our affiliate. will contribute to the Brand Fund in the same manner as franchisees; however, we or our affiliate may count other marketing costs that we incur in connection with promoting the Engineering For Kids brand and products (such as towards maintaining the System website and other Online Sites) towards the required advertising contribution.

During the last fiscal year, the Brand Fund expenditures made were for, among other things, 70% on marketing promotional content and marketing support, 20% on digital assets, and 10% on the website. There was no surplus or deficit for the Brand Fund.

*Regional Fund*. We have the right to designate any geographical area for purposes of establishing a regional marketing und ("**Regional Fund**"). The purpose of a Regional Fund is to conduct marketing campaigns for the Engineering For Kids Businesses located in that region. If a Regional Fund for the area in which your Franchised Business is located has been established at the time you begin operations, you must immediately become a member of the Regional Fund. If a Regional Fund for your area is established during the term of the Franchise Agreement, you must become a member of the Regional Fund within 30 days after the date on which the Regional Fund begins operations. You will not be required to be a member of more than one Regional Fund. The following provisions will apply to each Regional Fund (if and when organized) (Franchise Agreement, Sections 9.4):

(a) Each Regional Fund will be established, organized, and governed in the form and manner that we have approved in advance.

(b) Each Regional Fund will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized marketing materials for use by the members in regional marketing.

(c) Regional Funds may not use marketing, advertising, promotional plans, or materials without our prior written approval, as described below.

(d) You must submit your Regional Contribution to the Regional Fund by electronic funds transfer on the same schedule as your Royalty Fees. At the same time, you will have to submit the reports that we or the Regional Fund require. We may require

that your Regional Contribution and reports to the Regional Fund be made to us for distribution to the Regional Fund.

(e) Unless we designate otherwise in writing when we establish a Regional Fund, we will administer the Regional Fund in the same manner as described above regarding the System Fund.

*Local Marketing and Promotion*

As explained above in this Item 11 (in the first two paragraphs above under "Ongoing Advertising"), we may, and currently do, designate a portion of the Advertising Obligations as the minimum amounts that you must independently spend on local marketing and advertising within your Territory. At our request, you must submit appropriate documentation to verify compliance with any local marketing and advertising spending obligations. We have the right to periodically designate in the Manual the types of expenditures that will or will not count toward your minimum spending requirement.

You must advertise your Business in online directories, as may be specified in the Manual. If you advertise jointly with other franchisees, your share of the cost will count toward your local marketing expenditure requirement.

You agree to conduct all advertising in a dignified manner and to conform to the standards and requirements we periodically specify in the Manual or in other written materials. All local marketing, advertising, and promotion must be in the media, and of the type and format, as we may approve. We will make available to you approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared. We will have the final decision on all creative development of advertising and promotional messages. You must submit to us, for our approval before your use, all proposed plans, promotion materials, and advertising that we did not prepare or approve in the previous year. If you do not receive our written approval within 10 business days from the date we receive the material, the material is deemed disapproved. We reserve the right to require you to discontinue the use of any advertising or marketing materials.

We may periodically require you to participate in and comply with special promotional activities for Engineering For Kids Businesses generally or in specific geographic areas or for specific types of venues. You must bear your own costs of participating locally in such promotions. (Franchise Agreement, Section 9.5)

We may periodically require you to participate in and comply with special promotional activities for Engineering For Kids Businesses generally or in specific geographic areas or for specific types of venues. You must bear your own costs of participating locally in such promotions. (Franchise Agreement, Section 9.7)

"Online Sites" (as defined below) are considered as "advertising" under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, World Wide Web, webpages, microsites, social networking sites (for example, Facebook, Twitter, LinkedIn, You Tube, Google Plus, Pinterest, etc.), blogs, vlogs, applications to be installed on mobile devices (for example, iPad or Android apps), and other applications, etc. You may neither establish nor permit any other party to establish an Online Site relating to refers to the Engineering

For Kids Business, Proprietary Marks, us, or the System. Additionally, you may not offer, promote, or sell any products or services, or make any use of the Proprietary Marks, through the Internet or an Online Site without our prior written approval. If we decide to grant our consent, we have the right to require that you adhere to certain rules and standards concerning any Online Site. These may include: (1) before establishing any Online Site, you must submit to us, for our prior written approval, a sample of the proposed Online Site, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), in the form and manner we may require; (2) you must not use or modify an Online Site without our prior written approval; (3) you must comply with the standards and specifications for Online Sites that we may periodically prescribe in the Manuals or otherwise in writing; (4) if we require, you must establish hyperlinks to our Online Site and other Online Sites; and (5) we may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf.

Brand Development Council

The Brand Development Council (BDC) is made of up franchisees from all over the EFK network who volunteer their time in an effort to meet goals and initiatives for the betterment of Engineering For Kids. The primary goal of the BDC is to grow the brand through world class student experience and innovative programs. They work to promote and facilitate the growth of the franchise system by elevating best practices, initiating projects based on feedback from franchise owners and working directly with franchisees from the network to accomplish these projects. The council's authority will be advisory only. We will have the right to dissolve or change the franchise advisory council.

Computer System

You must buy (or lease) and maintain a computer system. The computer system will consist of certain hardware and software, as well as peripheral devices (such as printers). We have the right to specify the brands, types, makes, and models of your Computer System. You will have to abide by our requirements concerning the Computer System, which currently require running Windows 10 or 11 and certain other hardware and software and related customer registration and payment functions, and merchant and credit card processing gateway services (these will be part of a website interface that customers will use to sign up and pay for classes with your Franchised Business). We estimate that the costs associated with computers will be: (1) $1,000 to $2,000 to purchase or lease the required computer system for office computer system; (2) $150 to $200 as a one-time set-up to the vendor that will provide credit card processing gateway software and services; and (3) $2,600 to $4,500 for laptop computers and tablets used in instruction (for a total of estimate of $3,750 to $6,700).

This equipment will be used for recording all sales and related activities, Gross Sales, and customer information. You must record all sales by business category (After-School Programs, Workshops, Birthday Parties, Special Events, and Camps) and related activities. You must use the online customer registration software program and credit card processing gateway software and services (the "Merchant Services") that we designate or approve. Although we reserve the right to change software requirements, currently, we suggest that you use the iClassPro software program, which will be operated as part of a website interface that customers will use to sign up and pay for classes with your Franchised Business and includes Merchant Services. At this time, other than suggesting the use of iClassPro for the customer registration and Merchant services, we have not designated required vendors for these items and services, and you may purchase the computer hardware and software from any supplier, if the equipment meets our specifications.

We do not currently have independent access to your computers (or the information stored there), but will have the right to request access to all of your information and data (or to change our standards to permit us to have independent access), and there are no contractual limitations on our right to access the information and data. If we implement a new accounting program/system, you will have 12 months to fully integrate the new program/system. We also can require that you use and keep updated approved contact management software to track customer information.

If we adopt and implement a computer network record-keeping system and/or other technology-related tools to allow you to more effectively manage your Engineering For Kids Franchise, to allow us to have independent and instant on-line access to your records, and/or for other business purposes, you must purchase the required equipment, input all required information related to the new systems or tools, participate as required in any new program, and pay any applicable technology fees charged by us or our designee, to assist in covering costs of the applicable program/system/tools.

You must upgrade any hardware component or software program as we require during the term of the Franchise Agreement. We have no obligation to provide assistance to you in obtaining the computer hardware and software (other than providing the specifications for these items), or to provide ongoing maintenance, repairs or updates to your computer system. There are no contractual limits on the frequency or cost of your obligations to obtain these upgrades.

As described above, you may obtain customer registration and Merchant Services from iClassPro, a third-party vendor. You will contract directly with the vendor for these services and will pay the vendor a monthly fee for these services and related support. The vendor's fee for the customer registration and Merchant Services varies based on your volume of registrations, and currently starts at $139 per month. We currently do not require you to obtain any maintenance, updating, upgrading or support contracts, but we may require you to do so in the future. We do not specify any optional maintenance, updating, upgrading or support contracts. We recommend, however, that you purchase a service contract from a third party (such as Dell) that can provide standard maintenance, repairs or updates for the Computer System. We do not know the costs for these types of the contracts that may be optional in the future, but we currently estimate costs for basic services of this type to be approximately $250.

## ITEM 12
## TERRITORY

Grant of Rights and Definition of Territory

Under the Franchise Agreement, we will grant you the right and license to operate your Franchised Business within a Territory. The Territories will vary in size and dimension based on local factors, but a "standard" Territory will generally be determined as a geographic area containing approximately 100 schools with grades including some or all of kindergarten through eighth grade.

You will offer and provide Programs at the Authorized Locations the Programs and sell the Authorized Products, and such other and services and products that we may approve from time to time, to customers of the Franchised Business attending Programs at the Authorized Locations (regardless of where those customers live). You may also offer and provide Special Event Services Programs at the homes (or other facilities) of customers who attend Programs at your Authorized Locations, or who are referred to you by customers who attend Programs at your Authorized Locations. As described in Item 1, Special Event Services are those Programs and

Authorized Products that we approve for sale and use at children's parties, holiday and other celebratory events conducted outside of the Authorized Locations.

You may not, unless you have our prior written approval, engage in any other type of sale, including, selling or distributing products or services at wholesale or to third parties for resale, or using alternate channels of distribution, such as the Internet, catalog sales, or telemarketing.

Territory Rules.

You will conduct Programs, advertise and market the services of the Franchised Business, and directly solicit participants, inside (but only inside) your Territory (subject to our right to approve all advertising and marketing materials). "**Direct solicitation**" includes solicitation in person, by telephone, by mail, by e-mail or other electronic means, advertising, marketing, and by distribution of brochures, business cards or other materials.

You may not directly solicit participants located, and/or conduct Programs, in the territory of another Engineering For Kids Business (an "**Assigned Area**"). You may accept participants from an Assigned Area into Programs that you operate inside your Territory if you did not directly solicit those participants. If you receive an inquiry to conduct a Program at a location in an Assigned Area, you must refer that Program to the Engineering For Kids Business operating in that Assigned Area.

You may directly solicit participants from, and conduct Programs in, areas located outside the Territory if those participants and/or Programs are not located in an Assigned Area (an "**Open Area**") and the following conditions are met. You may only solicit participants from, and conduct Programs in, Open Areas located within 25 miles of your Territory. If you are conducting a Program in an Open Area (an "**Outside Program**") and that area later becomes an Assigned Area, then you must immediately give control of the Outside Program to the Engineering For Kids Business franchisee for that Assigned Area. Once an Open Area becomes an Assigned Area, you may no longer directly solicit participants from, or conduct any Programs in, the Assigned Area.

If any of your advertising within the Territory is in media that will or may reach a significant number of persons outside of the Territory, you must notify us in advance and obtain our consent. We may periodically establish rules and policies regarding this advertising. Additionally, we may periodically establish rules, guidelines and policies regarding you and other franchisee participation in other promotional activities and events (including without limitation, camp fairs and school fairs) that will or are reasonably expected to serve or draw potential customers and/or Third-Party Sites located in geographic areas serviced by more than one Engineering For Kids Business, and for use in connection with the Virtual Programs.

Other Engineering For Kids Businesses will operate under franchise agreements with restrictions similar to those above (the "**Territory Rules**"), which means that in some instances other Engineering For Kids Businesses may perform services in your Territory or sponsor advertising which reaches persons in your Territory. Although we do not intend to knowingly permit violations of the Territory Rules, we are not required to take action against franchisees for violations of the Territory Rules.

Territorial Rights and Rights We Reserve

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

We do, however, provide you with the territorial rights and protections within your Territory described in this paragraph. During the term of the Franchise Agreement, and except as otherwise provided in that agreement, we will not (a) operate (or grant a franchise to anyone else to operate) an Engineering For Kids Business that is physically located within the same Territory that we granted to you; and/or (b) grant an Engineering For Kids franchise to any other party that is for the same territory that we have assigned to you as your Territory under this Agreement.

Except for those rights and territorial protection granted to you (described in the preceding paragraph), we (and our affiliates) retain all other rights that we do not expressly grant to you in the Franchise Agreement. As a result, we will have the right (among other things), on any terms and conditions that we deem advisable, and without granting you any rights, to conduct any business activities, under any name, in any geographic area (including within the Territory), and at any location, regardless of the proximity to or effect upon your Engineering For Kids Business. For example, we have the right to:

(a) Establish, and license others to establish and operate, Engineering For Kids Businesses at any location outside the Territory (regardless of their proximity to the Territory or any Authorized Locations or their actual or threatened impact on sales at your Franchised Business);

(b) Establish, and license others to establish and operate, businesses and programs under other systems or other proprietary marks, which businesses or programs may offer or sell services and products that are the same as, similar to, or different from the Programs offered from the Franchised Business, and which businesses or programs may be located inside or outside the Territory (regardless of their proximity to the Territory or Authorized Locations or their actual or threatened impact on sales at your Franchised Business);

(c) Establish, and license others to establish, Engineering For Kids Businesses at any Large Accounts (as that term is defined below) inside or outside the Territory (regardless of their proximity to the Territory or Authorized Locations or their actual or threatened impact on sales at your Franchised Business);

(d) Acquire and operate any business or program of any kind, whether located inside or outside the Territory (regardless of their proximity to the Territory or Authorized Locations or their actual or threatened impact on sales at your Franchised Business) so long as any such business is not an Engineering For Kids Businesses operated from a location inside the Territory;

(e) Provide and conduct Special Event Services to customers located within the Territory, including customers who attend Programs of your Franchised Business, if you do not offer or otherwise exercise your right to provide Special Event Services; and

(f) Sell products and services using the Proprietary Marks or otherwise through alternative distribution channels, including e-commerce, at any location, including

inside or outside the Territory. We will not, however, sell or license directly to schools located in your Territory the curriculum, which we license to Engineering For Kids Businesses as part of the Proprietary Materials for franchisees' use in conducting the Programs, for the purpose of allowing such schools to use that curriculum to conduct the Programs directly with their students in the schools.

Continuation of your franchise or territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency, other than satisfying the "Minimum Performance Standards" described below and remaining in compliance with the Franchise Agreement.

Large Accounts Program

"**Large Accounts**" means any location from which Programs may be conducted that have multiple affiliated outlets (such as a chain of children's afterschool care centers, or preschools) that we designate based upon our determination that these businesses in multiple locations are deemed of strategic importance to us. Our negotiation of certain Large Accounts, including rates and services to be performed, enhances the potential value of the System and inures to your benefit as well as to our benefit and that of other Engineering For Kids Businesses. Accordingly, we reserve the right to administer a Large Accounts program for the "Engineering For Kids" business. If we establish a Large Accounts program, you must service Large Account customers in your Territory on our behalf, according to the pricing and other terms that we negotiate with the Large Account customer. You may not enter into any relationship with a Large Account customer that we deem to conflict with the customer's Large Account arrangement with us. Certain Large Account customers may require that we provide additional volume rebates, which we will negotiate with the customer on a case-by-case basis. If an additional rebate is required, we will notify you before signing the Large Account contract, and you will have the option not to participate in that Large Account contract. We will not pay you for your services to a Large Account customer until you submit the appropriate documentation.

You may terminate your participation in the Large Account program at any time by giving us at least 30 days' prior written notice. If you terminate your participation in the Large Account program, or if you fail to satisfy the conditions and obligations of any Large Account agreement, we have the right to service or authorize others to service Large Account customers within your Territory without any compensation to you. This right is an exception to your territorial protection described above. We have no obligation to readmit you into the Large Account program or to transfer any Large Account customer to you if you are subsequently willing and able to provide service within your Territory.

We are not required to pay you if we exercise any of the rights specified above inside your Territory.

Minimum Performance Standards

The rights to operate under the Franchise Agreement, including the territorial rights described above, are conditioned upon your complying with the Franchise Agreement, including that your Franchised Business must generate a minimum level of Gross Sales on an annual basis for each Operating Year, in the amounts described in the Franchise Agreement (the "**Minimum Performance Standards**"). For this purpose, the first Operating Year will begin on the first day of the Period for which you must submit your first Royalty payment and Sales Report, and will

continue until the one-year anniversary (of the date when that Operating Year started). The current Minimum Performance Standards are:

| Operating Year* | Minimum Annual Gross Sales at the End of Operating Year* |
|---|---|
| Year 1 | $0 - No minimum |
| Year 2 | $50,000 |
| Year 3 | $75,000 |
| Year 4 and Subsequent Years | $100,000 |

If you fail to satisfy the Minimum Performance Standards, and fail to cure any deficiencies (if we grant you an opportunity to cure such a default), we may take any one or more of the following actions:

(1) Reduce the size of your Territory, with a corresponding reduction in the Minimum Performance Standard; and/or

(2) Permit other franchisees, or us or our affiliates, to provide services to clients located within your Territory; and/or

(3) Establish, or license or franchise others to establish, an Engineering For Kids Business in your Territory; and/or

Relocation

We will not unreasonably withhold our approval, provided that the new location complies with our then-current site criteria and does not infringe upon the territory we have assigned to any other Franchised Business.

Options and First-Refusal Rights

Your Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises or territory.

Sales of Products or Services under a Different Trademark (Affiliate Operations)

As disclosed in Item 1, as of the date of this disclosure document, we are affiliated with the following entities: (i) SIE USA, SIE, and Affiliate SIE Subfranchisor, which offer franchises for School is Easy Tutoring Businesses that operate under the "School is Easy" mark; (ii) Pitman Training Group Limited, which offers franchises for independent training and testing in the United Kingdom and Ireland that operate under the Pitman Training name; and (iii) Academy of Learning, Inc., which offers franchises for Academy of Learning Career Colleges in the continuing adult education services industry in Canada that operate under the Academy of Learning Career Colleges or AOLCC names. In addition, certain of our parents and/or affiliates (and/or their owners), may in the future invest in other companies that offer franchises and/or own educational enterprises that may compete with the type business being franchised under this disclosure document. We do not currently anticipate conflicts arising between franchisees of the possibly deemed affiliated brands and those of Engineering For Kids, and as such, do not have a plan for how to resolve disputes regarding territory, customers and/or franchisor support in the event they arise. However, current and/or future outlets of such possibly deemed affiliated brands – as well

as current and/or future educational enterprises owned, operated or invested in by our parents and/or affiliates (and/or their owners) – may be located in your Territory (including immediately proximate to your Territory) and may have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within your Territory.

## ITEM 13
## TRADEMARKS

You may use certain Proprietary Marks in operating the Business. The principal Proprietary Marks are:

| MARK | REGISTRATION NUMBER | REGISTRATION DATE |
|---|---|---|
| ENGINEERING FOR KIDS with design | 3839035 | August 24, 2010 |
| EFK | 4521616 | April 29, 2014 |
| ENGINEERING FOR KIDS | 5189161 | April 25, 2017 |

The registration for the following Proprietary Mark is pending. We do not have a federal registration for this Principal Mark. Therefore, the Principal Mark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the Principal Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

| MARK | SERIAL NUMBER | FILING DATE |
|---|---|---|
| Engineering For Kids | 98686466 | August 7, 2024 |

The Proprietary Marks listed above, which are on the Principal Register of the United States Patent and Trademark Office (USPTO), are owned by our parent, LaunchLife USA (which is further described in Item 1). No affidavits or renewal filings are yet due in connection with these registrations.

Under a License Agreement dated November 1, 2020 with LaunchLife USA, LaunchLife USA has licensed us the right to use the Proprietary Marks and to sublicense it to our franchisees for use in operating Engineering For Kids Businesses The license agreement is perpetual, but either we or LaunchLife USA may terminate it with 30 days' notice to the other. However, termination of the license agreement will not affect existing franchise agreements as LaunchLife USA will permit franchisees to continue operating under the terms of their existing franchise agreements. No other agreement limits our right to use or license the Proprietary Marks.

You must follow our rules when you use the Proprietary Marks, including giving proper notices of trademarks and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use the Proprietary Marks in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a Web site.

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, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the Proprietary Mark and there are no agreements that may limit your use of the Proprietary Mark. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our/ LaunchLife USA's ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We (directly or through LaunchLife USA) have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third party claim, suit, or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in compliance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement, as well as your out of pocket costs (except that you will bear the salary costs of your employees). If we determine that you have not used the Proprietary Marks in compliance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement, and you must promptly reimburse us for those amounts. If there is any litigation due to your use of the Proprietary Marks, you must sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

If it becomes advisable at any time for us and/or you to modify or discontinue using the Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We are not required to reimburse you for your direct expenses of changing the Business's signs, for any loss of revenue due to modification or discontinuance of the Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

## ITEM 14
## PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

### Patents

No patents (or pending patent applications) are material to the operation of your Franchised Business.

### Copyrights

We claim copyright protection covering various materials used in our business and the development and operation of Franchised Businesses, including the Manual, the Proprietary

Materials, marketing, advertising and promotional materials, and similar materials. We have not registered these materials with the U.S. Registrar of Copyrights but we are not required to do so.

There are no currently effective determinations of the U.S. Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. The Franchise Agreement requires you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

Confidential Information

During and after the term of the Franchise Agreement, you may not communicate, divulge, or use for any purpose other than the operation of the Franchised Business any confidential information, knowledge, trade secrets or know-how that may be communicated to you or that you may learn by virtue of your relationship with us. You may divulge confidential information only to your professional advisers and to your employees who must have access to the information to operate the Franchised Business. All information, knowledge and know-how relating to us, our business plans, or the System are deemed confidential, except information that you can demonstrate came to your attention by lawful means before our disclosure; or which, at the time of our disclosure to you, had become a part of the public domain. Confidential Information includes the Manual and Proprietary Materials, as well as information relating to student instruction techniques and suppliers and customer data. You must require your employees and any other person or entity to which you wish to disclose any confidential information to execute agreements that they will maintain the confidentiality of the disclosed information. The agreements must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements.

All ideas, concepts, techniques or materials concerning an Engineering For Kids Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

Confidential Brand Excellence Manual

We will furnish you with or electronic access to the Manual for as long as the Franchise Agreement remains in effect. We reserve the right to furnish all or part of the Manual to you in electronic form or online and to establish terms of use for access to any restricted portion of our website. Your copy of the Manual remains our property. You must treat the Manual, training materials, and any other manuals or materials created or approved by us for use with the System as secret and confidential. You must not copy, duplicate, record or otherwise reproduce the Manual or other materials provided by us, in whole or in part. In addition, you must not make any

confidential information or materials supplied by us available to any unauthorized person. We have the right to amend and supplement the Manual from time to time by letter, electronic mail, bulletin, videotape, audio tapes, software, or other forms of communication. You must consult with the most current version of the Manual (and if we provide you with a hard copy, you must keep your copy of the Manual up-to-date), and comply with each new or changed standard promptly upon receipt of notice from us. If a dispute develops relating to the contents of the Manual, the version of the Manual that we maintain will control.

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

If you are a corporation, partnership or LLC, you must appoint an individual owner as your Operating Principal. The Operating Principal must provide his or her full-time attention to the day-to-day supervision and operation of the Franchised Business, complete our training program, must have authority over all business decisions related to the Franchised Business, and must have the power to bind you in all dealings with us. The Operating Principal must be an equity holder in the company. You may not change the Operating Principal without our prior approval.

The Franchise Agreement requires you to participate personally in the direct operation of the Franchised Business on a daily basis unless you have an approved and trained manager as described below, although we encourage and recommend your active participation. We also require that you or your Operating Principal devote full time, energy, and best efforts to the management and supervision of the Franchised Business.

If your Operating Principal will not operate the Franchised Business on a full-time and daily basis, then you must employ a manager who has qualifications reasonably acceptable to us, who will complete our initial training program and assume those responsibilities. At all times that the Franchised Business is operating, it must be under the personal supervision of the Operating Principal or a manager who has been fully trained in the System. You may not permit the Franchised Business to be operated, managed, directed or controlled by any other person without our prior written consent.

In addition, if you are a person who owns a 5% or greater ownership interest in the Franchised Business or otherwise in the franchisee, then you must sign a personal guaranty in the form attached as Appendix B to the Franchise Agreement. Your managers are also required to sign a confidentiality agreement and non-competition agreement in the form attached as Appendix C to the Franchise Agreement, which may be subject to adjustment to reflect the laws applicable to your managers (see Exhibit A to this disclosure document).

System standards may address the Franchised Business's days and hours of operations, minimum numbers of Programs to be conducted, staffing levels to provide services according to standards, employee qualifications, training, dress, and appearance. You will have sole responsibility for all employment decisions and functions related to your Business, including hiring, firing, compensation, benefits, work hours, work rules, record-keeping, supervision, and discipline of employees. You must take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet any minimum standards that we may periodically establish in the Manual. In addition, all personnel working at the Business must satisfactorily complete all state and local government required training and must meet all required licensing requirements. You must not employ any person as a teacher or other position that (if applicable) requires a

license unless that person is currently licensed by all applicable authorities and you have a copy of the license or permit.

## ITEM 16
## RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You may offer customers only the services and products that we have expressly authorized to be offered by Engineering For Kids Businesses, as periodically specified in the Manual. Currently, the Programs that Engineering For Kids Businesses offer consist of the Core Programs, and we may specify Authorized Products. We have the right to change the authorized services and products, and we may designate specific services or products as optional or mandatory (the Core Programs). We reserve the right to limit the number of ancillary Programs you conduct at the Franchised Business in addition to the Core Programs. There are no limits on our right to do so (although offering educational programs in the fields of math, science, technology, and engineering will remain a core offering). You acknowledge that we may approve some services, products, and other items for certain franchisees and not others based on legitimate business reasons. You must cease selling or offering for sale any services or products that we disapprove or revoke approval of at any time.

We have the right to specify in the Manual the minimum days and hours of operation of your Business, which may include specifying the minimum number of hours of Programs that you must offer and conduct for customers during the periods that we may specify (which may be measured on a weekly, monthly or seasonal basis). You may be required to employ sufficient number of employees to provide services as needed by your customers.

You must also execute a contract with each customer before the client or their child may participate in the Program. You must use the forms of client and participant contracts and other materials that we prescribe in the Manual.

We do not impose any restrictions or conditions that limit your access to customers in your Territory.

## ITEM 17
## RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

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

| | Provision | Section in Franchise or other Agreement | Summary * |
|---|---|---|---|
| a | Length of the franchise term | 2.1 | 5 years for Franchise Agreement. |
| b | Renewal or extension of the term | 2.2 | Two additional 5–year terms, subject to certain contractual requirements described in “c” below. |

| | Provision | Section in Franchise or other Agreement | Summary * |
|---|---|---|---|
| c | Requirements for you to renew or extend | 2.2 | Notice, satisfaction of monetary obligations, compliance with Franchise Agreement, not in material default, release, sign then-current form of Franchise Agreement (which may contain materially different terms and conditions than the original agreement), pay a renewal fee, and others; please refer to §§ 2.2.1 –2.2.7 in the Franchise Agreement. |
| d | Termination by you | Not applicable | Subject to state law, you may not terminate the Franchise Agreement. |
| e | Termination by us without cause | Not applicable | |
| f | Termination by us with cause | 15 | Default under agreement, bankruptcy, abandonment, and other grounds; see § 15 of the Franchise Agreement. (Under the U.S. Bankruptcy Code, 11 U.S.C. § 101, et seq., we may be unable to terminate the agreement merely because you make a bankruptcy filing.) |
| g | "Cause" defined – curable defaults | 15.3 | All other defaults not specified in §§ 15.1 and 15.2 of the Franchise Agreement |
| h | "Cause" defined – non-curable defaults | 15.1 and 15.2 | Bankruptcy, abandonment, conviction of felony, and others (but under the U.S. Bankruptcy Code, 11 U.S.C. § 101, et seq., we may be unable to terminate the agreement merely because you make a bankruptcy filing). |
| i | Your obligations on termination/ nonrenewal | 16 | Immediately stop operating the Franchised Business, stop all use of our trademarks, pay all amounts due, pay liquidated damages if termination was due to your default, and others; see §§ 16.1.1 – 16.1.4 of the Franchise Agreement. |
| j | Assignment of contract by us | 13 | There are no limits on our right to assign the Franchise Agreement. |
| k | "Transfer" by you – defined | 14.1 | Includes transfer of any interest. |
| l | Our approval of transfer by you | 14.2 | We have the right to approve transfers. |
| m | Conditions for our approval of transfer | 14.3 | Release, signature of new agreement, payment of transfer fee, meet then-current qualifications to our satisfaction, successfully complete training requirements and pay training fee, arrange to upgrade and conform Franchised |

| | Provision | Section in Franchise or other Agreement | Summary * |
|---|---|---|---|
| | | | Business to then-current standards and specifications, sign our then-current form of personal guarantee; transferee must not be in default, and prices and other proposed terms of transfer must not have effect of negatively impacting future viability of Franchised Business. |
| n | Our right of first refusal to acquire your business | 14.9 | We can match any offer. |
| o | Our option to purchase your business | Not applicable | |
| p | Your death or disability | 14.7 | If you die or become incapacitated, your executor or representative must apply to us in writing for approval within three months after death or the onset of disability. |
| q | Non–competition covenants during the term of the franchise | 17.1 | Includes prohibition on engaging in a competitive business and diverting business from your Franchised Business. |
| r | Non–competition covenants after the franchise is terminated or expires | 17.2 | Includes a two year prohibition similar to “q” (above), within the Territory, within five miles in any direction of the outside borders of the Territory, and within any other territory in which an Engineering For Kids Business operates at the time of expiration, termination, or transfer. |
| s | Modification of the agreement | 22 | Must be in writing signed by both parties. |
| t | Integration / merger clause | 22 | Only the final written terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement and related agreement may not be enforceable. No provision in the Franchise Agreement is intended to disclaim any representation made in this Disclosure Document. |
| u | Dispute resolution by arbitration or mediation | Not applicable | |
| v | Choice of forum | Not applicable | Not applicable. The Franchise Agreement does, however, contains other types of provisions that |

| Provision | Section in Franchise or other Agreement | Summary * |
|---|---|---|
| | | may affect your legal rights, including a waiver of a right to jury trial, and waiver of punitive or exemplary damages. Some of these provisions may be overridden by state law (please see Exhibits G and H to this disclosure document). You should carefully review all of these provisions, and all of the contracts as well as this disclosure document, with a lawyer. These terms are subject to applicable state law. |
| w Choice of law | 23 | Delaware law applies. Subject to applicable state law. (See note * below) |

* Please refer to the disclosure addenda and contractual amendments appended to this disclosure document for additional terms that may be required under applicable state law (Exhibits G and H). Please note, though, that if you would not otherwise be covered under those state laws by their own terms, then you will not be covered merely because we have given you an addendum that describes the provisions of those state laws.

## ITEM 18
## PUBLIC FIGURES

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

## 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 of a particular location or under particular circumstances.

The Table below does not include costs of sales, operating expenses or other costs or expenses that must be deducted from gross sales figures to The Table below does not include costs of sales, operating expenses or other costs or expenses that must be deducted from gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Engineering For Kids Business. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information. No franchised Engineering For Kids Businesses that were open as of December 31, 2025 have been excluded. Due to reporting for minimum royalty calculations, we have grouped the franchised locations by revenue tier.

**HISTORICAL GROSS SALES FOR THE PERIOD JANUARY 1, 2025 TO DECEMBER 31, 2025 AT FRANCHISED ENGINEERING FOR KIDS BUSINESSES**

| Annual Gross Sales | $0 to $75,000 | $125,001 to $175,000 | $175,001 to $225,000 | $275,001 to $350,000 | $350,001 to $425,000 | $425,001 to $550,000 | $550,001 to $600,000 |
|---|---|---|---|---|---|---|---|
| Locations Under 2 years old | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| Locations Over 2 years old | 8 | 1 | 2 | 1 | 2 | 1 | 1 |

"**Gross Sales**" means all of your revenue from operating your Franchised Business, but excluding taxes collected from customers and paid to taxing authority, and customer coupon sales (for which customers do not pay for complimentary or reduced price services or product) and refunds. The information in Tables 1 and 2 is from Gross Sales reports submitted to us by the franchisees. These reports are unaudited.

The characteristics of the franchised businesses included are generally similar to the franchises offered to prospective franchisees under this Disclosure Document. **Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.** Written substantiation for the 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 representation. 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 franchisor's management by contacting David Riker, 100 York Boulevard, Suite 400, Richmond Hill, ON L4B 1J8, (855) 996-9977; the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20
## OUTLETS AND FRANCHISEE INFORMATION

**Table 1:**
**Systemwide Outlet Summary***
**for Years 2023-2025**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| Franchised | 2023 | 26 | 23 | -3 |
| | 2024 | 23 | 23 | 0 |
| | 2025 | 23 | 22 | -1 |
| Company- Owned | 2023 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 |

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| Total Outlets | 2023 | 26 | 23 | -3 |
| | 2024 | 23 | 23 | 0 |
| | 2025 | 23 | 22 | -1 |

**Table 2:**
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) for years 2023-2025**

| State | Year | Number of Transfers |
|---|---|---|
| All States | 2023 | 0 |
| | 2024 | 0 |
| | 2025 | 0 |
| **Total** | **2023** | **0** |
| | **2024** | **0** |
| | **2025** | **0** |

**Table 3:**
**Status of Franchised Outlets for years 2023-2025**

| State | Year | Outlets at Start of Year | Outlets Opened | Termi-nations | Non-Renewals | Re-acquired by Fran-chisor | Ceased Operations Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Arizona | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| California | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2025 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Florida | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Georgia | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

| State | Year | Outlets at Start of Year | Outlets Opened | Termi-nations | Non-Renewals | Re-acquired by Fran-chisor | Ceased Operations Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| Illinois | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Massachusetts | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Minnesota | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Nevada | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Jersey | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| North Carolina | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Oregon | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Pennsylvania | 2023 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Texas | 2023 | 4 | 1 | 0 | 2 | 0 | 0 | 3 |
| | 2024 | 3 | 2 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |

| State | Year | Outlets at Start of Year | Outlets Opened | Termi-nations | Non-Renewals | Re-acquired by Fran-chisor | Ceased Operations Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| Virginia | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Wisconsin | 2023 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Total** | **2023** | **26** | **1** | **0** | **4** | **0** | **0** | **23** |
| | **2024** | **23** | **3** | **0** | **1** | **0** | **2** | **23** |
| | **2025** | **23** | **0** | **0** | **0** | **0** | **1** | **22** |

**Table 4:**
**Status of Company-Owned**
**Outlets for years 2023-2025**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Re-acquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| All States | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **2023** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2024** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2025** | **0** | **0** | **0** | **0** | **0** | **0** |

**Table 5:**
**Projected Openings as of December 31, 2025**

| State | Franchise Agreements Signed But Outlets Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company-Owned Outlets in the Next Fiscal Year |
|---|---|---|---|
| California | 0 | 4 | 0 |
| New York | 0 | 2 | 0 |
| **Total** | 0 | 6 | 0 |

States not listed had no activity during the relevant time frame.

Exhibit D-1 lists the names of all of the operating franchisees and the addresses and telephone numbers of their Businesses as of December 31, 2025, and Franchisees who signed

Franchise Agreements for Businesses which were not yet operational as of December 31, 2025. Exhibit D-2 lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document (there are none). If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have signed confidentiality clauses with current or former franchisees which may restrict them from speaking openly with you about their experience with us.

As of the date of this franchise disclosure document, we are not aware of any *Engineering For Kids* franchisee associations in existence regardless of whether they use our trademark or not.

## ITEM 21
## FINANCIAL STATEMENTS

Exhibit E to this disclosure document contains the following financial statements: the audited financial statements for Engineering for Kids International, LLC as of December 31, 2023, December 31, 2024 and December 31, 2025 and unaudited financials dated as of April 30, 2026. Our fiscal year end is December 31.

## ITEM 22
## CONTRACTS

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

- Exhibit A: Franchise Agreement and exhibits
- Exhibit I: General Release Language

## ITEM 23
## RECEIPTS

The last two pages of this disclosure document (Exhibit K) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this disclosure document.

# EXHIBIT A

# FRANCHISE AGREEMENT AND EXHIBITS

# FRANCHISE AGREEMENT

**Territory Name**
(See Appendix A for a full description) _____

**Agreement Date** _____

**Franchisee** _____

**Business Address** _____

_____

**Type of Legal Entity** (if applicable) _____

**State in which entity organized** (if applicable) _____

| **Shareholder / Partner / Member Name** | **Ownership Percentage** |
|---|---|
| _____ | _____% |
| (the "Operating Principal") | |
| _____ | _____% |
| _____ | _____% |
| _____ | _____% |
| _____ | _____% |

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APPENDIX A – TERRITORY, FRANCHISE FEE & MINIMUM PERFORMANCE STANDARDS

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APPENDIX D – AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

APPENDIX E – EFK LEARNING CENTER LOCATION ADDENDUM

# FRANCHISE AGREEMENT

This Agreement is entered into as of the Agreement Date shown on the cover page between Engineering for Kids International, LLC, a Delaware limited liability company, and the individual or legal entity identified on the cover page ("**Franchisee**"). If Franchisee is a corporation, partnership or limited liability company, the owner(s) of Franchisee are also identified on the cover page.

In this Agreement, "**we**," "**us**" and "**our**" refers to Engineering for Kids International, LLC, the franchisor. "**You**" and "**your**" refers to the Franchisee. "**Owners**" means the person(s) listed on the cover page and all other persons whom we may subsequently approve to acquire an interest in Franchisee. "**Operating Principal**" means the person designated as the Operating Principal on the cover page and who meets the criteria in Section 6.12 of this Agreement.

## *INTRODUCTION:*

A. We are in the business of operating and franchising others to operate "Engineering For Kids" educational activity and program businesses that use our System and our Proprietary Marks (each is an "**Engineering For Kids Business**" or "**Business**").

B. Engineering For Kids Businesses provide educational activities, namely, providing seminars, classes, camps, workshops, conferences, and programs in the fields of math, science, technology, and engineering using specified business formats, methods, procedures, designs, layouts, brand standards, and specifications, items and products that we may designate or approve from time to time ("**Programs**").

C. We and our affiliate have developed a distinctive set of specifications and operating procedures (collectively, the "**System**") for Engineering For Kids Businesses. The distinguishing characteristics of the System include our professional image and high customer service standards; our standards, specifications and teaching methods for our Programs; Program materials, equipment, and supplies, which may include using course materials, supplies and equipment that are designed and prepared according to our proprietary standards (together "**Proprietary Materials**"); our techniques for marketing and scheduling Programs; standards and specifications for educational materials and other related products for sale to customers ("**Authorized Products**"); and our techniques for identifying, recruiting and encouraging the retention qualified employees and instructors; the accumulated experience reflected in our training program and operating procedures to maintain our brand standards, and distinctive exterior and interior design for those Engineering For Kids Businesses that operating from a central learning center. These are not necessarily all of the elements of the System. We may change, improve, add to, delete from and further develop the elements of the System from time to time.

D. As of the Agreement Date, we only offer franchises for Engineering For Kids Businesses that operate under our "**Learning Center Based Business**" format. An operator establishes an instruction facility and office location that will serve as the operator's permanent base of operations, will be devoted entirely to the operation of an Engineering For Kids Business, and will bear exterior "Engineering For Kids" signage (a "**EFK Center Location**"). An operator will also provide Programs to customers at one or more sites that the operator locates and secures (each a "**Third Party Site**"). Although each Third Party Site must meet our standards and specifications, the operator is not required to build-out the space or to otherwise maintain a permanent presence at these sites. Third Party Sites may include facilities, such as community centers and parks and recreation centers, where the operator rents a portion of the facility for specific schedule of days or time slots, or other facilities, such as afterschool care centers and schools, at which the operator conducts Programs on a scheduled basis as an independent service provider. Unless otherwise indicated in this Agreement, "Authorized Location" will refer to Third Party Sites and EFK Center Locations.

E. We identify the businesses operating under the System by means of the "Engineering For Kids" name and certain other trademarks, service marks, trade names, signs, logos, and other indicia of

origin (collectively, the "**Proprietary Marks**"). We may designate other trade names, service marks, and trademarks as Proprietary Marks. We have entered into an exclusive license with our affiliate, LaunchLife USA, Inc., a Delaware corporation (the "**License Agreement**") to use the Proprietary Marks and other property in connection with the operation of Businesses and licensing others of other to operate Businesses.

F. You understand the importance of our high standards of quality, appearance, and safety, and the necessity of operating your Engineering For Kids Business in accordance with this Agreement and our standards, specifications and procedures.

*The parties, intending to be legally bound by this Agreement, and for* good *and valuable consideration, now agree as follows:*

## 1. RIGHTS GRANTED

### 1.1. Grant of Franchise

**1.1.1.** We grant you the right, and you accept the obligation, to use the Proprietary Marks and the System to operate one Engineering For Kids Business (the "**Franchised Business**") in the Territory that is designated in Appendix A (the "**Territory**") throughout the term of this Agreement, and all according to the terms of this Agreement and using only the format(s) designated in Sections 1.1.1 through 1.1.3 below. Your rights hereunder are limited to: (a) offering and providing at the Authorized Locations the Programs and selling the Authorized Products, and such other and services and products that we may approve from time to time, to customers of the Franchised Business attending Programs at the Authorized Locations (regardless of where those customers live); (b) offering and providing at the homes (or other facilities) of customers who attend or are referred to you by customers who attend Programs at your Authorized Location(s) those Programs and Authorized Products that we have approved for sale and use at children's parties, holiday and other celebratory events conducted outside of the Authorized Location(s) ("**Special Events Services**"), and (c) offering and providing such additional services and programs, such as Virtual Programs (as defined in Section 7.3), that we designate or approve from time to time for Engineering for Kids Businesses, subject to such policies and procedures as we specify for the additional offerings. Your license under this Agreement to use the Proprietary Marks and System does not include: (a) the right to engage in wholesale transactions, e-commerce, or sales through any other channel of distribution (except with respect to Virtual Programs as we have the right to authorize from time to time); and (b) the right to license or sublicense the Proprietary Marks and/or the System to anyone else.

**1.1.2.** You must identify the physical site for your EFK Center Location according to Section 4.2 and Appendix E of this Agreement and the site will designated on Appendix A when it is identified. you agree not to operate an EFK Center Location unless you obtain our prior written approval, which we will not unreasonably withhold if you satisfy our then current criteria for operators of Learning Center Based Businesses and the conditions described in this Section 1.1.2.

### 1.2. Territory Rules

**1.2.1.** You may conduct Programs, advertise and market the services of the Franchised Business, and directly solicit participants, inside (but only inside) your Territory (subject to our right to approve all advertising and marketing materials as set forth in Section 9.4 below), except as otherwise provided below. "**Direct solicitation**" includes, but is not limited to, solicitation in person, by telephone, by mail, by e-mail or other electronic means, advertising, marketing, and by distribution of brochures, business cards or other materials.

**1.2.2.** You may not make direct solicitation to participants located, and/or conduct Programs, in the Territory of another Engineering For Kids Business (an "**Assigned Area**"). You may accept participants from an Assigned Area into Programs that you operate inside your Territory if you did not directly solicit such participants. If you receive an inquiry to conduct a Program to be located in an

Assigned Area, you must refer that Program to the Engineering For Kids Business operating in that Assigned Area.

**1.2.3.** You may directly solicit participants from, and conduct Programs in, areas located outside the Territory if those participants and/or Programs are not located in an Assigned Area (an "**Open Area**") and the following requirements are met. You may only solicit participants from, and conduct Programs in, Open Areas located within twenty-five (25) miles of your Territory. If you are conducting a Program in an Open Area (an "**Outside Program**") and that area later becomes an Assigned Area, then you must immediately give control of the Outside Program to the Engineering For Kids Business franchisee for that Assigned Area. Once an Open Area becomes an Assigned Area, you may no longer directly solicit participants from, or conduct any Programs in, the Assigned Area (except to the limited extent necessary to complete any commitments as described above).

**1.2.4.** You may conduct Programs, and accept participants from, outside of the Territory if you do so in compliance with Sections 1.2.1.-1.2.3 above.

**1.2.5.** You may accept requests to provide Special Event Services to be provided and conducted outside of the Territory so long as the request is from or referred by an existing customer of your Franchised Business who attends Programs at your Authorized Location(s) and you did not obtain the request in violation of Section 1.2.1.

**1.2.6.** If any of your advertising inside the Territory is in media that will or may reach a significant number of persons outside of the Territory, you must notify us in advance and obtain our prior written consent (in addition to the requirements in Section 9.4 below), which we will have the right to withhold. We may periodically establish rules and policies regarding such advertising. Additionally, we may periodically establish rules, guidelines and policies regarding you and other franchisee participation in other promotional activities and events (including without limitation, camp fairs and school fairs) that will or are reasonably expected to serve or draw potential customers and/or Third-Party Sites located in geographic areas serviced by more than one Engineering For Kids Business and/or in connection with Virtual Programs (during any period in which we may authorize or require Virtual Programs).

**1.2.7.** You acknowledge that: (a) other Engineering For Kids Businesses will generally operate under restrictions similar to those set out in Sections 1.2.1-1.2.6 (the "**Territory Rules**"), which means that in some instances, other Engineering For Kids Businesses may solicit participants residing inside your Territory or sponsor advertising that reaches persons in your Territory, or conduct Special Events in your Territory; but that (b) we do not have any obligation to enforce the Territory Rules, nor do we represent or guarantee to you that other Engineering For Kids Businesses will always abide by the Territory Rules, and we will have no liability to you if that occurs.

### 1.3. Limited Exclusivity

**1.3.1.** During the term of this Agreement, and except as otherwise provided in this Agreement, we will not assign your Territory to any other Engineering For Kids Business, or establish or license others to establish and operate any EFK Center Location or at Third Party Sites within your Territory.

**1.3.2.** We and our affiliates reserve all rights not expressly granted to you under this Agreement, and therefore we have the right, among other things, to:

(a) Establish, and license others to establish and operate, Engineering For Kids Businesses at any location outside the Territory, notwithstanding their proximity to the Territory or Franchised Business or their actual or threatened impact on sales at your Franchised Business;

(b) Establish, and license others to establish and operate, businesses and programs under other systems or other proprietary marks, which businesses or programs may offer or sell services and products that are the same as, similar to, or different from the Programs offered

from the Franchised Business, and which businesses or programs may be located inside or outside the Territory, notwithstanding such business' or programs' proximity to the Territory or Franchised Business or their actual or threatened impact on sales at your Franchised Business;

(c) Establish, and license others to establish, Engineering For Kids Businesses at any Large Accounts (as that term is defined below) inside or outside the Territory, notwithstanding such Engineering For Kids Business' proximity to the Territory or Franchised Business or their actual or threatened impact on sales at your Franchised Business;

(d) Acquire and operate any business or program of any kind, whether located inside or outside the Territory notwithstanding such business' or program's proximity to the Territory or Franchised Business or its actual or threatened impact on sales at your Franchised Business, so long as any such business is not an Engineering For Kids Businesses operated from a location inside the Territory;

(e) Provide and conduct Special Event Services to customers located within the Territory, including customers who attend Programs of your Franchised Business, if you do not offer or otherwise exercise your right to provide Special Event Services; and

(f) Sell products and services using the Proprietary Marks or otherwise through alternative distribution channels, including e-commerce, at any location, including inside or outside the Territory. We will not, however, sell or license directly to schools located in your Territory the curriculum, which we license to Engineering For Kids Businesses as part of the Proprietary Materials for franchisees' use in conducting the Programs, for the purpose of allowing such schools to use that curriculum to conduct the Programs directly with their students in the schools.

**1.3.3. Large Accounts.** The term "**Large Account**" means any location from which Programs may be conducted that have multiple affiliated outlets (such as a chain of children's afterschool care centers, or preschools), that we designate based upon our determination that these businesses in multiple locations are deemed of strategic importance to us. We will have the right to negotiate the terms and conditions of all Programs to be conducted at Large Accounts, in accordance with the terms of Section 6.9 below.

### 1.4. Performance Criteria

You acknowledge and agree that the rights granted under this Agreement, including but not limited to the limited territorial grant described in this Section 1, are conditioned upon your compliance with this Agreement. In addition, your Franchised Business must generate a minimum level of Gross Sales (defined in Section 3.2.3 below) on an annual basis for each Operating Year (as defined below), in the amounts set forth in Appendix A (the "**Minimum Performance Standards**"). For the purposes of the Minimum Performance Standards, your first "**Operating Year**" will begin on the first day of the Period for which you must submit your first Royalty payment and Sales Report, and will continue for the next reporting periods until the first anniversary of the date on which your first Operating Year began. Each subsequent Operating Year will be the immediately following twelve month period. If you fail to satisfy the Minimum Performance Standards, then we may take any one or more of the following actions:

**1.4.1.** Reduce the size of your Territory; and/or

**1.4.2.** Permit other franchisees, or us or our affiliates, to provide conduct Programs and Special Event Services at locations within your Territory; and/or

**1.4.3.** Establish, or license or franchise others to establish, Engineering For Kids Business in your Territory; and/or

**1.4.4.** Terminate this Agreement pursuant to Sections 15.2.16 (which provides an opportunity to cure with respect to a failure to satisfy the Minimum Performance Standard for your first Operating Year (as defined in Appendix A) and 15.2.17.

## 2. TERM; SUCCESSOR FRANCHISE AGREEMENTS

### 2.1. Term

This Agreement expires five (5) years from the Agreement Date, unless it is terminated sooner as provided in other sections of this Agreement.

### 2.2. Successor Franchise Agreements

When this Agreement expires, you will have the option to continue the franchise relationship with us for two (2) additional terms of five (5) years each, unless: (a) we have announced a decision to stop franchising the Engineering For Kids concept; or (b) we decide to withdraw the Engineering For Kids program concept from the geographic market in which your Territory is located. You must satisfy all of the following conditions in order to continue your franchise relationship:

**2.2.1.** You must give us written notice of your desire to exercise your option not more than twelve (12) months and not less than six (6) months before this Agreement expires.

**2.2.2.** You and all Owners must sign and deliver to us the standard form of Engineering For Kids Franchise Agreement that we are then offering to new franchisees (or the standard form that we most recently offered to new franchisees, if we are not then offering to new franchisees) (the "**Successor Franchise Agreement**"). The terms of the Successor Franchise Agreement may be materially different from the terms of this Agreement (except that the Territory will remain the same during any renewal period) and may require you to pay different fees than those specified in this Agreement.

**2.2.3.** You must pay all amounts owed to us, to our affiliates, and to your major suppliers; you must not be in default of this Agreement or any other agreement with us, our affiliates, or our suppliers; and you must have substantially and timely complied with all of your obligations throughout the term of each such agreement (this requirement applies, even if we did not elect to exercise our right to terminate this Agreement during its term).

**2.2.4.** You must make or provide for any capital expenditures we reasonably deem necessary to reflect our then-current image and operating standards, including among other things upgrading all of the equipment that you use in connection with the Programs (to the extent that you have not already done so), and bringing your Authorized Locations into full compliance with the specifications, standards and requirements then applicable to new Engineering For Kids businesses in the System.

**2.2.5.** You must pay us a discounted successor franchise fee in the amount of Three Thousand Five Hundred Dollars ($3,500).

**2.2.6.** You and all Owners must sign and deliver to us a general release, in a form we require, of any and all claims against us, our affiliates, and our past, present and future officers, directors, members, managers, shareholders, and employees.

**2.2.7.** You, the Operating Principal, and/or your designated employees must successfully complete any additional or refresher training courses that we may reasonably require.

## 3. FEES

### 3.1. Initial Franchise Fee

You must pay us an initial franchise fee, in the amount set forth on Appendix A. The Initial Franchise Fee is paid in consideration of the rights we have granted to you under this Agreement, is fully earned at the time paid, and is not refundable.

### 3.2. Royalty

**3.2.1.** You must pay us an ongoing royalty fee ("**Royalty**") in an amount equal to the greater of (a) the Gross Sales for the Period (as defined in Section 3.2.2 below) multiplied by the Applicable Royalty Rate(s) (as defined in Section 3.2.1.1 below) for that Period; or (b) the monthly "Minimum Royalty" applicable for such month (as defined in Section 3.2.1.2 below). The Royalty is for your right to use the Proprietary Marks and the System under this Agreement, and not in exchange for any specific services we render.

**3.2.1.1.** The rates used in calculating the Royalty payments during the Term are the percentage rates listed below (the "**Applicable Royalty Rates**"), which are applied based on the Gross Sales of your Franchised Business during each Period. You will determine the Applicable Royalty Rate(s) for each Period, and calculate the Royalty due, based on the Gross Sales that you are reporting to us for that Period. To qualify for the reduced Applicable Royalty Rates, you must be in compliance with your Royalty and Brand Fund Contribution requirements.

| **Applicable Royalty Rates:** |
|---|
| 7% - for Gross Sales between $0 and $25,000 during the Period |
| 6% - for Gross Sales between $25,000.01 and $50,000 during the Period |
| 5% - for Gross Sales above $50,000 during the Period |

(By way of example only: if reported Gross Sales in a Period are between $0 and $25,000, then the Applicable Royalty Rate is 7%; if reported Gross Sales in a Period are above $25,000 but less than $50,000, then the Applicable Royalty Rates are 7% for the first $25,000 and 6% for all additional Gross Sales between $25,000.01 and $50,000.)

**3.2.1.2.** The Minimum Royalty requirement will not apply during the first six (6) months following the Agreement Date. Beginning in the seventh (7th) month after the Agreement Date, the "**Minimum Royalty**" will be equal to: Three Hundred Dollars ($300) per month during the remainder of the Term.

**3.2.2.** You must pay the Royalty to us each Period, based on your Gross Sales in the previous Period. For each Period, you also must report to us in writing (or electronically) your Gross Sales (a "**Sales Report**") at the time specified in Section 3.4 below. For purposes of this Agreement, unless otherwise designated by us in writing, a "Period" is a Month, but we have the right upon written notice change the designated Period to alternative time frames including bi-weekly or weekly. The term "**Month**" means a calendar month, or another 4-5 week period that we may periodically designate.

**3.2.3.** **Gross Sales**" means all revenue from the sale of all services and products and all other income of every kind related to the activities of the Franchised Business under this Agreement, whether cash, credit (and regardless of collection in the case of credit), or other compensation (for example, barter credit). However, "**Gross Sales**" does not include any sales or other taxes that you collect from participants or clients and pay directly to the appropriate taxing authority, or any coupon sales (for which customers do not pay for complimentary or reduced price services or product) or customer refunds.

### 3.3. Advertising Contributions

During any Period that the Brand Fund (as defined in Section 9.3 below) is in effect, you must make a contribution as described in Section 9.2 below, in such amounts as we may require under Section 9.2. Additionally, during any Period that a Regional Fund (as defined in Section 9.4 below) for the area in which your Franchised Business is located is in effect, you must make a contribution as described in Section 9.2 below in such amounts as we require under Section 9.2. Required contributions to the Brand Fund and Regional Fund are referred to as "**Advertising Contributions**."

### 3.4. Due Date for Payments & Reports

You agree to make your Royalty payments, Advertising Allocation payments, Technology Fee payments, and submit your Sales Reports (regardless of your level of Gross Sales and regardless of whether you have collected payments), by the fifth (5th) day of each Period (or the next business day if the 5th day is a federal holiday) based on your Gross Sales in the previous Period (or as may otherwise be required under Section 3.2.2 above).

### 3.5. Method of Payment

You agree to arrange for electronic funds transfer or deposit of any payments required under this Agreement. To implement this clause, you agree to sign and deliver to us our current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Appendix D, and you also agree to comply with the payment and reporting procedures we specify in the Manual (as defined in Section 11 of this Agreement).

**3.5.1.** You expressly acknowledge and agree that your obligation to make full and timely payment of Royalties and Advertising Contributions (and all other amounts provided for in this Agreement) is absolute, unconditional, fully earned, and due upon your generation and receipt of Gross Sales.

**3.5.2.** You agree that you will not, for any reason, delay or withhold the payment of all or any part of those or any other payments due hereunder, put payments in escrow or set-off same against any claims or alleged claims you may allege against us or others. You also agree that you will not, on grounds of any alleged non-performance by us or others, withhold payment of any fee, including without limitation Royalty fees or Advertising Contributions, nor withhold or delay submission of any reports due hereunder including but not limited to Sales Reports.

### 3.6. Technology Fee

You must pay us an ongoing monthly "Technology Fee" that we require, at such times and in such amounts as we may designate. The Technology Fee as of the Agreement Date is Two Hundred Dollars ($200) per month, but we reserve the right to increase this fee, provided that any increase will not exceed a monthly increase of Twenty-Five Dollars ($25) during any twelve (12) month period. You must pay the Technology Fee at the same time as, and in the same manner, as the Royalty fee pursuant to Sections 3.2 and 3.3 above, unless we otherwise specify in writing an alternative time and method of payment. We have the right to determine how and for what purposes the Technology Fee will be used, which may include, without limitation paying for services provided by approved third-party providers to the some or all Engineering for Kids Businesses, and the costs to develop, implement and/or license software, applications and other technologies. We the right to modify the use the Technology Fee as we determine appropriate.

### 3.7. Delinquency

Any payment or report we (or the appropriate marketing fund) do not actually receive on or before the date due will be deemed overdue. If any payment or report is overdue, you must pay us, in addition to the overdue amount, the greater of (a) a late fee of Twenty-Five Dollars ($25), or (b) interest on the overdue amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month,

provided that it will not exceed the maximum amount or rate permitted by law, if any. Entitlement to such interest will be in addition to any other remedies we may have.

### 3.8. Taxes

You are solely responsible for all taxes levied or assessed upon you or the Franchised Business in connection with your activities under this Agreement.

## 4. SITE SELECTION, PREPARATION AND OPENING DEADLINE

Section 4.1 below applies in connection with any Third Party Sites that you may operate at in addition to an EFK Center Location. Section 4.2 and the EFK Learning Center Site Selection Addendum apply to your Learning Center Based Business. The remainder of this Section 4 applies to your Business and all Authorized Locations.

### 4.1. Requirements and Selection for Third Party Sites

You will be responsible, at your expense, for finding and then securing (by lease or other arrangement) suitable sites to serve as your Third Party Sites. We will furnish you with our standard site selection guidelines, including our minimum standards for Third Party Sites. You will be responsible for ensuring that each location you will use as a Third Party Site meets our guidelines, standards and specifications. Upon our request, you must submit to us the information that we reasonably request regarding any Third Party Sites that you intend to use, or are using, to provide Programs. If we determine that any Third Party Site does not meet our then-current standards and specifications, we will notify you that we have disapproved such location, and you must discontinue using such location as a Third Party Site within thirty (30) days of our written notice of disapproval.

### 4.2. Requirements and Selection for an EFK Learning Center

You will be responsible, at your expense, for finding and then securing a suitable site at which to develop and operate your EFK Center Location. At the time you sign this Agreement, you must also sign an EFK Learning Center Location Addendum, in the form included as Appendix E of this Agreement, unless you already possess a location that we have approved to serve as your EFK Center Location.

### 4.3. Location Development and Preparation

We will provide you with general design plans and a basic layout to use at the Authorized Locations. To the extent necessary, you must prepare each Authorized Location for operation as an Engineering For Kids Business at your own expense. You must complete all construction, remodeling, furnishing, decorating, and equipping of your Learning Center Location in accordance with our requirements as set forth in the EFK Learning Center Location Addendum. Among other things, for each Authorized Location:

**4.3.1.** You must comply with our standards and specifications for layout, equipment, furnishings, fixtures and décor, and use of Proprietary Materials, and may not make any modifications or variations without our prior written consent;

**4.3.2.** You must make sure that your plans comply with all applicable ordinances, building codes and permit requirements;

**4.3.3.** You must make sure that you have obtained all necessary zoning permits as well as all required utility, health, sign permits and licenses, and any other required permits and licenses;

**4.3.4.** You buy or lease Proprietary Materials and Authorized Products, equipment and other materials as required under this Agreement (as well as the other specifications that we provide in writing);

**4.3.5.** You will be solely responsible for complying with all federal, state and local laws, codes and regulations, including, without limitation, the applicable provisions of the Americans with Disabilities Act regarding the construction, design and operation of the Franchised Business. If we express an opinion about your plans or indicate our approval, it will be merely for the purpose of our own determination that your plans will satisfy our internal standards, specifications and layout. We will not be in a position to provide any assurances, and therefore cannot be deemed to have given any information about, whether your plans satisfy any federal, state and local laws, codes and regulations (including, without limitation, the ADA). If you receive any complaint, claim, or other notice alleging a failure to comply with any such requirements, you must provide us with a copy of such notice within 5 days after receipt thereof.

### 4.4. Our Review

Any reviews that we conduct are only for our benefit. You acknowledge that our review and approval of a site, lease, sublease, design plans or renovation plans for an Authorized Location do not constitute a recommendation, endorsement, or guarantee of the suitability of that location or the terms of the agreement. You agree that you will take all steps necessary to determine for yourself whether a particular location and the terms of any lease, sublease, or purchase agreement for the site are beneficial and acceptable to you.

### 4.5. Use of Location and Management

You may only use each Authorized Location for the purpose of operating your Franchised Business and for no other purpose. You may not sublet or otherwise allow any other party to operate any enterprise at your EFK Center Location without our prior written approval.

### 4.6. Opening Deadline

**4.6.1.** Before you can open the Franchised Business for operation with customers, you must have secured and prepared your Office to handle business, completed all training, and satisfied all other of our pre-opening requirements (whether they are set out in this Agreement, the Manual, or as we may otherwise specify). Additionally, you must you have received all required state and local government certification, permits, and licenses necessary for the operation of an Engineering For Kids Business, including any required licenses and certifications for your personnel.

**4.6.2.** You must have obtained our written approval to begin operating, and actually begin operating the Franchised Business no later than one hundred twenty (120) days after the date of this Agreement (the "**Opening Deadline**"). You are deemed to "begin operating" when you book reservations with fee-paying customers for Programs with a scheduled starting date that is not more than forty-five (45) days after the date you first make the Programs available for booking reservations. If you do not begin operating on time and we do not extend the Opening Deadline, we will have the right to terminate this Agreement under Section 15.2.

### 4.7. Development Costs

You agree that, upon our request, you will provide us a full written breakdown of all costs associated with the development of your Franchised Business, using any forms that we may reasonably require.

### 4.8. Relocation

You may not relocate your Learning Center Location without our prior written approval, which will not be unreasonably withheld. Any proposed new Authorized Center Location must comply with our then-current site selection criteria and be within your Territory.

## 5. TRAINING

### 5.1. Initial Training Program

**5.1.1.** Before you begin operating, you (or the Operating Principal, if you are a corporation or other entity), and a manager of the Franchised Business (the "**Designated Employees**") must all attend and successfully complete the initial training program that we offer, which may be virtual or at a specified location. The Designated Employees must be persons that we find acceptable at all times during the term of their employment in the Franchised Business to serve in those capacities.

**5.1.2.** The Designated Employees must complete the training program at least 30 days before the Franchised Business begins operations. We alone have the right to judge whether a person has successfully completed training. If you or your personnel fail to complete initial training to our satisfaction, you or they may repeat the course or may send a substitute to the next available scheduled training session; however, we will have no obligation to extend the opening deadline in Section 4 above for this purpose, and we reserve the right to terminate this Agreement if the Designated Employees are unable in our opinion to successfully complete training. We reserve the right to charge you a reasonable fee for initial training for substitute or additional personnel.

**5.1.3.** We have the right to reduce the duration or content of the training program for any trainee who has prior experience with our concept, the Programs, or in similar businesses. We also have the right to allow you to train certain of your Designated Employees and successors in those positions at your location.

**5.1.4.** If you (and/or the Designated Employees) do not complete the initial training program as specified above, that will constitute grounds for termination as provided in Section 15 of this Agreement.

### 5.2. Additional Training by Us

We may require the Designated Employees to successfully complete additional training courses during the term of this Agreement at a location that we specify (including any conferences that we may conduct for franchisees in the System). We may also offer optional training programs. You may also request that we provide additional training at the location of your Franchised Business, and we will provide such training if we determine that we are able to do so. We may charge you a training fee and our out-of-pocket expenses for all additional training programs, whether mandatory or optional, or whether you request or we require such training, which fee shall be as set forth in the Manual or otherwise in writing.

### 5.3. Training by You

We have the right to specify training programs related to the System that you must conduct for your employees and instructors. After your Designated Employees have completed the initial training program, you may train your own personnel, using approved training materials, or send them to our headquarters for training. If we train your personnel, you are responsible for expenses incurred while they attend training, including salaries, benefits, travel, lodging, meals, and other related expenses. We reserve the right to charge you for training additional personnel.

### 5.4. Training Materials and Methods

All training materials that we provide to you remain our property. We have the right to provide training programs in person, on tape, via the Internet or other electronic means, or by other means and media, as we determine.

### 5.5. Expenses

We will provide instructors, facilities, and materials for up to two individuals to attend the portion of the initial training program (however delivered) at no charge, provided that all of your personnel attend the same training session(s). We reserve the right to charge a reasonable fee for additional personnel attending training, or for re-training persons who are repeating the course or replacing a person who did not pass. For all training, including initial training, you are responsible for any travel expenses, living expenses, wages, and other expenses incurred by your trainees.

## 6. OPERATIONS

### 6.1. Compliance with Standards and System Changes

You agree to comply with all mandatory standards, specifications and operating procedures set forth from time to time in our Manual. You acknowledge that the services and operation of your Franchised Business, accounting practices, record keeping and reporting practices, and software are important to us and our other franchisees. However, you acknowledge that we have the right to vary our standards and specifications, in our reasonable judgment, to accommodate circumstances of individual franchisees. We have the right from time to time to change or modify the System, including modifications to the Manual, the Programs, Proprietary Materials, curriculum, approved suppliers, the required equipment, the signage, and other aspects of the Franchised Business, the adoption of new administrative forms and methods of reporting and payment of any monies owed to us (including electronic means of reporting and payment). You agree to accept and implement any such changes or modifications to the System as if they were a part of the System at the time this Agreement was signed, and you will make such expenditures as the changes or modifications in the System may reasonably require. However, if any discontinued portion of the System, could pose a hazard to the public or prove detrimental to the System, you must cease selling that item or offering that service immediately.

### 6.2. Programs and Services You May Offer

You may offer customers only the Programs and other products and services that we have expressly authorized in writing for Engineering For Kids Businesses to offer, as further provided in Section 7 of this Agreement. We may make this designation in the Manual or otherwise in writing. We have the right to change the authorized Programs, Proprietary Materials and other curricula, products and services (provided that offering educational programs in the fields of math, science, technology, and engineering will remain a core offering), and we may designate specific Programs, products or services as optional or mandatory. You acknowledge that we may approve some products, services, Programs, and other items for certain franchisees and clients and not others based on legitimate business reasons.

### 6.3. Sourcing of Equipment, Materials and Supplies

**6.3.1.** We have the right to require that the Proprietary Materials, Authorized Products, and any other services, products, supplies, materials and equipment that you use in the operation of the Franchised Business or resell through your Franchised Business: (a) meet specifications that we establish from time to time; and/or (b) be purchased only from manufacturers, vendors, distributors, and other suppliers that we have expressly approved; and/or (c) be purchased only from a single source (which may include us or our affiliates). To the extent that we establish specifications, require approval of suppliers, or designate specific suppliers for particular items, we will notify you via the Manual. We and our affiliates may earn income on sales that we make directly to you.

**6.3.2.** If you would like to use products or services that we have not approved or purchase from a supplier that we have not approved, you must submit a written request for approval. We have the right to inspect the proposed supplier's facilities and to test samples of the proposed products. You agree to pay us an amount not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product, including personnel and travel costs, whether or not we ultimately approve the proposed

product and/or supplier. We have the right to grant, deny, or revoke approval of products, services, and suppliers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. We reserve the right to reinspect the facilities and products of any approved supplier and to revoke approval upon the supplier's failure to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to cease purchasing products from the disapproved supplier and, in the case of revocation based on failure of products to meet our standards, you agree to dispose of your remaining inventory of the disapproved supplier's products as we direct. If we approve a new product or service, then it will become our property.

**6.3.3.** We may enter into arrangements with manufacturers of program supplies and materials as well as equipment (together "**Products**") to make those Products available to Engineering For Kids Businesses at favorable prices and other terms. If so, we will use our best efforts to maintain purchasing arrangements for Products throughout the term of this Agreement, although we do not represent or guarantee that Products will be available on any specific terms. In order for us to negotiate favorable arrangements with suppliers of Products, it is beneficial for all Engineering For Kids Businesses to combine their purchasing power. Accordingly, except as provided below, you must purchase all of your requirements of Products from the suppliers with whom we have established purchasing programs for Engineering For Kids Businesses. You agree to purchase Products solely for the operation of your Franchised Business and conducting Programs and not for use in any other business or resale or redistribution to any other party. Subject to applicable law, we may earn money from the suppliers based on your purchases in the form of rebates, commissions, or other payments. You acknowledge that these payments compensate us for the cost of negotiating and maintaining the purchasing arrangements with the suppliers and that, subject to applicable laws, we have no obligation to remit the funds to you.

### 6.4. Image Standards

You must keep the equipment, supplies, and uniforms used in the Franchised Business and/or by your employees in the highest degree of cleanliness, orderliness, appearance, sanitation, and repair in accordance with our standards and specifications, including but not limited to those set out in our Manual.

### 6.5. Staff

Your instructors and staff who conduct Programs and provide services to customers and clients of the Franchised Business and participants in Programs must wear proper attire and otherwise identify themselves with the Proprietary Marks at all times in the manner we specify for the Franchised Business. We may require that your instructors undergo, at your expense, ongoing training and/or that they meet other minimum qualifications. You must ensure that each of your instructors maintains at all times any licenses and/or certifications for the instructor's responsibilities, if any, that are required by the jurisdiction in which your Franchised Business operates. We have the right (but not the obligation) to disapprove any individual to serve as a member of your instruction staff if we determine that it is not appropriate for that individual to render services to participants or to conduct Programs.

### 6.6. Employment Responsibilities

You have sole authority and control over the day-to-day operations of the Franchised Business and its employees. You will be solely responsible for all employment decisions and functions related to your Franchised Business, including recruiting, hiring, firing, compensation, benefits, work hours, work rules, record-keeping, supervision, and discipline of employees; provided that in doing so, you must comply with all applicable federal, state or local laws and regulations relating to your employees and/or other staff. You must take such steps as are necessary to ensure that your employees preserve good customer and client relations; render competent, prompt, courteous, and knowledgeable service; and meet any minimum standards that we may establish to maintain quality customer services and brand standards that we may establish from time to time in the Manual. At no time will you or your employees be deemed to be our or our affiliates' employees. We will have no right or obligation to direct your employees.

### 6.7. Customer and Participant Contracts

You must also execute a contract with each customer before the client or their child may participate in the Program. You must use the forms of client and participant contracts and other materials that we prescribe in the Manual.

### 6.8. Customer Service

You acknowledge that providing superior customer service to customers and participants is a vital component of the System, and that the success of your Franchised Business and the System as a whole depends upon your providing such superior customer service. You therefore agree to strictly abide by the specifications and standards for customer service that we periodically specify in the Manual or otherwise in writing.

### 6.9. Large Accounts

**6.9.1.** You acknowledge that our negotiation of certain select and/or strategic Large Accounts, including the Programs to be offered and the rates and services to be performed, enhances the potential value of the System and inures to your benefit as well as to our benefit and that of other Engineering For Kids Business franchisees. Accordingly, we reserve the right to administer a Large Accounts program for the System. If we establish a Large Account program, you must service Large Account clients in your Territory on our behalf, in accordance with the pricing and other terms that we negotiate with the Large Account client. You may not enter into any relationship with a Large Account client that we deem to conflict with the client's Large Account arrangement with us. Certain Large Account clients may require that we provide additional volume rebates, which we will negotiate with the client on a case-by-case basis. If an additional rebate is required, we will notify you before signing the Large Account contract, and you will have the option not to participate in that Large Account contract. We will not pay you for your services to a Large Account client until you submit the appropriate documentation.

**6.9.2.** You may terminate your participation in the Large Account program at any time by giving us at least 30 days' prior written notice. If you terminate your participation in the Large Account program, or if you fail to satisfy the conditions and obligations of any Large Account agreement, we have the right to service and/or authorize others to service Large Account clients inside your Territory without any compensation to you. This right is an exception to your territorial protection. We have no obligation to readmit you into the Large Account program or to transfer any Large Account client to you if you are subsequently willing and able to provide service inside your Territory.

### 6.10. Inspections and Quality Control Programs

**6.10.1.** We have the right, at any time during normal business hours: (i) to conduct inspections of the Franchised Business, including without limitation to inspect (and, if applicable, remove) the Proprietary Materials and any other curriculum documents, materials and products used or offered in the operation of the Franchised Business; (ii) to interview your employees, participants (and their parents and guardians), and customers; (iii) to observe and participate in Programs that your employees provide for participants; and (iv) to review your business records, including those maintained electronically or off premises. We can initiate these actions with or without prior notice to you. You must cooperate with such inspections by giving our representatives unrestricted access and rendering such assistance as our representatives may reasonably request. If we notify you of any deficiencies after the inspection, you must promptly take steps to correct them. If you fail to correct any deficiencies within a reasonable time, we have the right to correct such deficiencies and to invoice you for our expenses.

**6.10.2.** We may, from time to time, designate an independent evaluation service to conduct a "mystery customer," "student survey," and/or similar type, quality-control and evaluation program with respect to Engineering for Kids Businesses. You must participate in such programs as we require, and promptly pay the then-current charges of the evaluation service. If you receive an unsatisfactory or

failing report in connection with any such program, you must immediately implement any remedial actions we require and pay us all expenses we incur to have the evaluation service re-evaluate the Franchised Business (as well as all expenses we may have incurred to subsequently inspect the Franchised Business) together with any costs or incidental expenses that we incur. We also have the right to implement customer satisfaction programs and surveys, and we will have the right to charge you a fee for each customer solicited in connection with such programs.

### 6.11. Compliance With Laws

You agree to operate the Franchised Business in full compliance with all applicable municipal, county, state, and federal laws, rules, regulations, and ordinances. You have sole responsibility for such compliance despite any information or advice or guidance that we may provide. (To the extent that the requirements of those laws are in conflict with the terms of this Agreement, the Manual, or our other instructions, you must comply with those laws and you must immediately give us written notice of the conflict.)

### 6.12. Management Supervision

**6.12.1.** If you are a corporation, partnership or LLC, you must appoint an individual owner as your Operating Principal. The Operating Principal must provide his or her full-time attention to the day-to-day supervision and year-round operation of the Franchised Business, complete our training program, must have authority over all business decisions related to the Franchised Business, and must have the power to bind you in all dealings with us. The Operating Principal must be an equity holder in the corporation. You may not change the Operating Principal without our prior written approval.

**6.12.2.** You must inform us in writing whether the Operating Principal will assume full-time responsibility for the daily operation of the Franchised Business. If the Operating Principal will not supervise the Franchised Business on a full-time and daily basis, you must employ a manager with qualifications reasonably acceptable to us, who will complete our initial training program and assume responsibility for the daily operation of the Franchised Business (or during the periods when the Operating Principal is not conducting the daily operations). At all times that the Franchised Business is operating, it must be under the personal supervision of the Operating Principal or a manager who has been fully trained in the System. You may not permit the Franchised Business to be operated, managed, directed or controlled by any other person without our prior written consent.

**6.12.3.** All persons with 5% or greater ownership interest in the franchise must sign a personal guaranty on the form attached to this Agreement.

### 6.13. Insurance

You must maintain in full force and effect throughout the term of this Agreement the types of insurance and the minimum policy limits specified in the Manual, and the current minimum requirements are set forth below. The insurance policy or policies must be in effect before you undertake any activities under this Agreement. The insurance policy or policies must protect you, us, and our respective past, present and future officers, directors, owners, employees, servants, representatives, consultants, attorneys, and agents. We must be named as an additional insured in the policy or policies (statutory policies excepted). The policies must include a waiver of subrogation and provide for at least 30 days' notice to you and us before any cancellation or material change to coverage. We may require additional types of coverage or increase the required minimum amount of coverage upon reasonable notice. Your obligation to obtain coverage is not limited in any way by insurance that we maintain. Upon our request or as specified in the Manual, you must provide us with certificates of insurance evidencing the required coverage. Your insurer(s) must commit not to cancel or amend the policy or policies without at least thirty (30) days' prior written notice to us. If you fail to obtain and maintain insurance coverage as required by this Agreement, we have the right, but not the obligation, to obtain the required insurance on your behalf and to charge you for the cost of the insurance plus a reasonable fee for our services in procuring the insurance.

At a minimum, such policies must include the following:

1. Commercial General Liability Insurance, including coverage for products completed operations, contractual liability, personal and advertising injury, fire damage, medical expenses, having a combined single limit for bodily injury and property damage of $1,000,000 per occurrence and $3,000,000 in the aggregate (except for fire damage and medical expense coverage, which may have different limits of not less than $100,000 for one fire and $5,000 for one person, respectively); plus (ii) non-owned automobile liability insurance and, if Franchisee owns, rents or identifies any vehicles with any Names and Marks or vehicles are used in connection with the operation of the Business, automobile liability coverage for owned, non-owned, scheduled and hired vehicles having combined limits for bodily injuries and property damage of $1,000,000. All such coverages must be on an occurrence basis and provide for waivers of subrogation.

2. Comprehensive crime and blanket employee dishonesty insurance in an amount of not less than $10,000.

3. All-risk property insurance, including theft and flood coverage (when applicable), written at replacement cost value covering the building, improvements, furniture, fixtures, equipment and inventory. Coverage must be written in a value which will cover not less than eighty percent (80%) of the replacement cost of the building and one hundred percent (100%) of the replacement cost of the contents of the building.

4. Employer's Liability and Worker's compensation Insurance, as required by state law, for twelve (12) months actual loss sustained.

5. Educators Legal/Sexual Molestation insurance of not less than one million ($1,000,000) per occurrence and aggregate.

6. If you are operating an EFK Center Location, business interruption insurance of not less than twenty thousand dollars ($20,000) per month for loss of income and other expenses with a limit of not less than six (6) months of coverage.

### 6.14. General Advice

We will make available to you information about new developments, techniques, and improvements in the areas of operations, management, and marketing, to the same extent as we make the information available to other Engineering For Kids Business franchisees in good standing. We may fulfill our obligation in this section through the distribution of printed or filmed material, an Intranet or other electronic forum, meetings or seminars, individual or group counseling, training programs, telephone communications, or other forms of communications. Limited on-site assistance will be permitted if we have resources available.

### 6.15. Temporary Management of Franchised Business

In order to maintain the continuity of operation of the Franchised Business and to preserve the integrity of the System, you agree to permit us to enter the premises of the Franchised Business and to operate and manage the Franchised Business ("**Management**" or "**Manage**") upon the occurrence of any of the following circumstances: (a) if you abandon or fail, or threaten to abandon or fail, to actively operate the Franchised Business for five (5) or more consecutive days unless otherwise authorized by us; (b) if you fail to operate the Franchised Business as required, or if you intend to close or notify any participants of your intent to close the Franchised Business, (c) if in our reasonable judgment the Franchised Business is in imminent risk of closure due to your financial condition or otherwise; (d) if you fail to complete scheduled Programs or services for clients or participants; (e) if any assets or equipment used in and required for the proper operation of the Franchised Business are repossessed or confiscated by appropriate authorities; and/or (f) upon the death or permanent disability of the you, the Operating Principal, or an Owner of a controlling interest in you that results, in our opinion, in your diminished capacity to properly operate the Franchised Business. We will use reasonable commercial efforts to provide notice to you before exercising our rights under this Section 6.15, but we may enter the premises of the Franchised Business and

commence Management thereof even if you have not received or responded to such notice. We will have the right to conduct such Management and to be compensated from the Gross Sales of the Franchised Business for all of our costs and expenses in conducting such Management. Our Management of the Franchised Business does not create a fiduciary or other special relationship between you and us. Our right to Manage the Franchised Business will be in addition to, and not instead of, all other rights available to us under this Agreement (including, without limitation, the right, if applicable, to terminate this Agreement).

### 6.16. Hours and Frequency of Operation and Programs

We have the right to specify in the Manual the minimum days and hours of operation of your Franchised Business, including without limitation, specifying the minimum number of hours of Programs that you must offer and conduct for customers during the periods that we may specify (which may be measured on a weekly, monthly and/or seasonal basis). You acknowledge and agree that the Franchised Business must be actively operated and promoted on a year-round basis and may not be operated on a seasonal basis.

### 6.17. Conferences

Franchisor may, but are not required to, conduct conferences at such times (but not more frequently than annually) and places as we designate for all System franchisees. We may require you (or your Operating Principal) attend the conferences or we may specify that attendance is optional. We may charge reasonable registration or similar fees for all conferences (regardless of whether the conference is mandatory or optional). You will be also responsible for all costs that you (or your Operating Principal) and any other personnel incur in connection with attending these conferences. The mandatory fees per conference will not exceed Four Hundred Dollars ($400) per Franchised Business (or per person if multiple persons will attend from the Franchised Business).

## 7. APPROVED PROGRAMS

### 7.1. Core Programs and Additional Approved Programs

Unless we approve otherwise, you must only offer only the Programs we have approved in the Manual or otherwise in writing, and in doing so you will use only the Proprietary Materials, any other curriculum materials, and standards that we have approved for use in conducting the approved Programs. We may designate certain Programs as Kelvin's core programs that are mandatory (collectively, the "**Kelvin's Core Programs**"). There may be other Programs that we will approve for the operation of Engineering For Kids Businesses. Such other programs may in the future be deemed to be Kelvin's Core Programs, in which case they will become mandatory for you to offer or operate in connection with the Franchised Business; or such Programs will remain ancillary Programs, in which case they will be optional for you to offer or operate in connection with the Franchised Business. We reserve the right to limit the number of ancillary Programs you conduct at the Franchised Business in addition to the Kelvin's Core Programs. You agree that you will not offer any Programs or services in connection with the Franchised Business that are not approved. We have the right to revoke our approval of any Program, curriculum and materials; and in the event we revoke our approval, you agree to discontinue further offer or use of the disapproved Programs and materials. We will maintain a list or directory of the approved Programs in the Manual and/or other written instructions that we make available to franchisees of Engineering for Kids Businesses.

### 7.2. Review of Proposed Programs and Test Programs

In no way limiting the terms of Section 6.3 above, if you wish to offer and conduct programs and/or to use curriculum that we have not approved for use in the System, you must submit a written request for approval according to the procedures we establish in the Manual. We have the right to grant, deny, or revoke approval of proposed programs, curriculum, and materials based solely on our judgment. We will

notify you in writing of our decision as soon as practicable following our evaluation. We may grant our approval on a limited or test basis. If we authorize you to test programs and curriculum in your Franchised Business, you must cooperate with us in connection with the conduct of such test programs and comply with the procedures we establish from time to time in connection with such programs as set forth in the Manual. At the conclusion of the test program, you must submit all curriculum and/or materials to us.

### 7.3. Virtual Programs

In no way limiting the terms of Sections 7.1 or 7.2 above, the following terms apply to recorded videos and other programs and materials prepared to be provided to customers of Engineering for Kids Businesses through designated online and "virtual" settings that we prescribe and/or approve in writing (the "**Virtual Programs**"). We have developed Virtual Programs for use by Engineering for Kids Businesses as a supplemental method of offering Programs during periods when Engineering Kids Businesses are under governmental restrictions that impair their ability to conduct in-person Programs. The Virtual Programs are not intended as a replacement for in-person Programs and you must offer in-person Programs unless legally restricted from doing so or we provide written modification of that requirement. With respect to Virtual Programs, we have the right to (a) require that you offer and conduct Virtual Programs; (b) right to designate some or all Virtual Programs as Core Programs or as optional Programs; and (c) discontinue and disapprove any or all Virtual Programs in the future. Unless otherwise specified, the terms and conditions of this Agreement regarding "Programs," will apply to "Virtual Programs."

### 7.4. Innovations

All ideas, concepts, methods, techniques, information, and new programs (including any curriculum and related materials) relevant to the Programs operated under the System, or other educational and enrichment programs relevant to the operation of your Franchised Business (including but not limited to means any improvement, change, idea, innovation, suggestion or variation that may tend to enhance or improve the scope of materials, program offerings, efficiency or effectiveness of the System), whether or not constituting protectable intellectual property that you or your employees create, or that are created on your behalf, must be promptly disclosed to us. If we adopt any of them as part of the System, they will be deemed to be our sole and exclusive property and works made-for-hire for us. You hereby assign, and further agree to sign any further assignment or other documents that we may request to evidence our ownership in, or to assist us in securing, intellectual property rights in such ideas, concepts, techniques or materials.

## 8. BUSINESS RECORDS, REPORTING, AND TECHNOLOGY

### 8.1. Business Records

You agree to keep complete and accurate books, records, and accounts of all business conducted under this Agreement, in the form and manner prescribed in the Manual. You must preserve all of your books and records in at least electronic form for seven (7) years from the date of preparation.

### 8.2. Reports and Financial Statements

You agree to submit financial and operational reports and records to us at the times and in the manner specified in the Manual. In no way limiting the foregoing, you agree to submit your profit and loss statement to us on a quarterly basis. You also agree to submit, within forty-five (45) days after the end of each fiscal quarter, an income statement showing the results of your operations during the fiscal quarter and for the year to date, and a balance sheet as of the end of each fiscal quarter. With respect to your fiscal year-end income statement and balance sheet, you or the Operating Principal must certify that the income statement and balance sheet are correct and complete and that they have been prepared in accordance with generally accepted accounting principles. We will have the right to specify a common chart of accounts, and if we do so, you agree to use that chart of accounts (and require your bookkeeper and accountant to do so) in preparing and submitting your financial statements to us. Operational reporting

requirements may include, without limitation, reports prepared from data collected and/or maintained through the Computer System as described in Section 8.5.7 above, information regarding marketing activities, Programs offered, and performance and revenue metrics (including for example, Program frequency, Program enrollment, revenue per customer, and discounts offered).

### 8.3. Examination and Audit Rights

We have the right, both during and after the term of this Agreement, to inspect, copy and audit your books and records, your federal, state and local tax returns, and any other forms, reports, information or data that we may reasonably designate. We will provide you 10 days written notice before conducting an in-person financial examination or audit. We may conduct the examination or audit at our offices or those of a third-party, in which case we may require you to send us your records. If the examination or audit reveals an understatement of Gross Sales, you must immediately pay us any Royalty fees, Advertising Allocations, or other amounts owing, plus interest as provided in Section 3.7 above. If Gross Sales have been understated by more than 2% for the period covered by the examination or audit, you must also: (1) reimburse us for the full reasonable cost of the examination or audit, including, travel, lodging, meals, and wages of our representatives and the legal and accounting fees of any attorneys or independent accountants we use for the examination or audit; and (2) at our request, thereafter provide us with periodic audited financial statements. If Gross Sales are understated by more than 2% on three (3) occasions in any eighteen-month period or by five percent (5%) or more for any period of one (1) month or greater, we have the right to terminate this Agreement with no opportunity for cure. The foregoing remedies are in addition any other remedies and rights available to us under this Agreement or applicable law.

### 8.4. Governing Documents

If you are (or transfer this Agreement to) a corporation, partnership or LLC, upon our request, you agree to furnish us with a list of holders of direct or indirect equity interests and their percentage interests, as well as copies of your governing documents and any other corporate documents, books, or records. The Owners may not enter into any shareholders' agreement, management agreement, voting trust or other arrangement that gives a third party the power to direct and control your affairs without our prior written consent. Throughout the term of this Agreement, your governing documents must provide that no transfer of any ownership interest may be made except in accordance with Section 14 of this Agreement. Any securities that you issue must bear a conspicuous printed legend to that effect.

### 8.5. Technology

**8.5.1.** We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Franchised Businesses, including without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, transmission systems, and customer relationship management systems, for use at Franchised Businesses, between or among Franchised Businesses, and between and among your Franchised Business and us, our designee and/or you; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; and/or (e) internet access mode (e.g., form of telecommunications connection) and speed (collectively, the "**Computer System**"). You agree to abide by our requirements with respect to the Computer System.

**8.5.2.** We will have the right, but not the obligation, to develop or have developed for us, or to designate:

(a) computer software programs, accounting system software, and related applications (which may include programs downloaded to hardware or accessed via the internet) that you must use in connection with the Computer System (together, "**Required Software**"), which you must install and/or access and use;

(b) updates, supplements, modifications, or enhancements to the Required Software, which you must install and/or access and use;

(c) the tangible media upon which such you must record or receive data; and

(d) the database file structure of your Computer System.

**8.5.3.** You agree to install and/or access and use the Computer System and Required Software in the manner that we require.

**8.5.4.** You agree to implement and periodically upgrade and make other changes to the Computer System and Required Software as we may reasonably request in writing (collectively, "**Computer Upgrades**").

**8.5.5.** You agree to comply with the specifications that we issue with respect to the Computer System and the Required Software, and with respect to Computer Upgrades, at your expense, which may include monthly licensing and support fees and/or other charges (including for example and without limitation, charges for installation, set-up and/or training) due to the supplier of such services and/or items (which suppliers may include us or our affiliates). You also agree to afford us unimpeded access to your Computer System and Required Software, including all information and data maintained thereon, in the manner, form, and at the times that we request.

**8.5.6.** You agree that all data pertaining to, derived from, or displayed in connection with the Franchised Business (including, without limitation, any data that you collect or develop regarding the Franchised Business' customers, clients and participants and potential customers, but excluding consumers' credit card and/or other payment information), whether or not uploaded to our system from your system, and/or downloaded from your system to our system ("**Data**"), is deemed to be owned exclusively by us. We will have the right to use such Data in any manner that we deem appropriate without compensation to you. With respect to any Data from your Franchise Business that we maintain, we grant a royalty-free non-exclusive license to you to use the Data while this Agreement (including any successor agreement) is in effect, but only in connection with operating the Franchised Business and only in accordance with the policies that we periodically establish (which may include, without limitation, terms and conditions relating to use, retention, storage and/or removal). You acknowledge and agree that except for the right to use the Data under this clause, you will not develop or have any ownership rights in or to the Data. You may not sell, transfer, or use Data for any purpose other than operating the Franchised Business and marketing "Engineering For Kids" Programs and services. However, if you Transfer the Franchised Business (as provided in Section 14.2 below), as part of the Transfer, you may Transfer the Data to the buyer for value in connection with the license to use the Data under a franchise agreement with us, provided that you comply with all applicable policies, laws, and regulations relating to such Data.

**8.5.7.** We have the right to specify, from time to time, in the Manual or otherwise in writing, the Data and other information that you must collect and maintain on the Computer System in the manner that we prescribe. You agree to provide us with the reports that we may reasonably request from the Data so collected and maintained. You agree that you will download (and/or provide us with access to) on a daily basis, or in such other intervals that we may require, all information and materials that we may require in connection with your operation of the Franchised Business, and that you will present such information and materials in the manner we may prescribe. We may use all such information, data, and reports in any manner, including, without limitation, providing financial and operating reports to franchisees and operators operating under the System. In no way limiting the above, upon termination, expiration, and/or transfer of this Agreement and/or the Franchised Business, you agree to provide us with all data (in the digital machine-readable format that we specify, and/or printed copies, and/or originals) promptly upon our request.

**8.5.8.** You agree to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("**Privacy Laws**").

**(a)** You agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you shall: (i) comply with the requirements of applicable law; (ii) immediately give us written notice of said conflict; and (iii) promptly and fully cooperate with is and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law.

**(b)** You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

**8.5.9.** We have the right to maintain a website and other Online Sites (as defined below) for benefit of ourselves, our franchisees, and the "Engineering For Kids" brand. Unless we have otherwise approved in writing, you agree to neither establish nor permit any other party to establish an Online Site relating in any manner whatsoever to the Franchised Business or referring to the Proprietary Marks. We have the right, but not the obligation, to provide one or more references or webpage(s) to your Franchised Business, as we may periodically designate, within our Online Site. (The term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social networking sites (including but not limited to Facebook, Twitter, LinkedIn, Google Wave, Google Plus, Pinterest, etc.), blogs, vlogs, applications to be installed on mobile devices (e.g., tablet, IOS, or Android apps), and other applications, etc.) If we ever do approve in writing a request for you to use a separate Online Site (which we are not required to do), then we have the right to require that you meet any or all of the following requirements:

**(a)** You agree that any Online Site that you own or that is maintained for your benefit will be deemed "advertising" under this Agreement, and will be subject to (among other things) our prior written approval, including under Section 9.6.

**(b)** You agree not to establish or use any Online Site without our prior written approval.

**(c)** Before establishing or using any Online Site, you must submit to us, for our prior written approval, a sample of the proposed Online Site domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including, without limitation, meta tags) in the form and manner we may reasonably require.

**(d)** You agree not to use or modify any such Online Site without our prior written approval as to such proposed use or modification.

**(e)** In addition to any other applicable requirements, you agree to comply with the standards and specifications for Online Sites that we may periodically prescribe in the Manual or otherwise in writing.

**(f)** If we require you to do so, you agree to establish hyperlinks to our Online Site and others as we may request in writing.

**(g)** We may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf, and we will have the right (but not the obligation) to exercise all of the rights and privileges that an administrator may exercise.

**8.5.10.** You agree not to use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e mail address, domain name, and/or other identification of you or the Franchised Business in any electronic medium.

**8.5.11.** You must use, and only use, the email address and other identifiers we designate in connection with conducting the business of the Franchised Business. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining our written consent as to: (a) the content of such e-mail advertisements or solicitations; and (b) your plan for transmitting such advertisements. In addition to any other provision of this Agreement, you will be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Proprietary Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003").

**8.5.12.** Because changes to technology are dynamic and not predictable within the term of this Agreement, and in order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree: (a) that we will have the right to establish, in writing, reasonable new standards to address new technologies, and to implement those changes in technology into the System; and (b) to abide by our reasonable new standards as if this Section 8.5 were periodically revised for that purpose.

### 8.6. E-Mail.

You agree that exchanging information with us by e-mail is an important way to enable quick, effective, and efficient communication, and that we are entitled to rely upon each other's use of e-mail for communicating as part of the economic bargain underlying this Agreement. To facilitate the use of e mail to exchange information, you authorize the transmission of e-mail by us and our employees, vendors, and affiliates (on matters pertaining to the business contemplated hereunder) (together, "**Official Senders**") to you and your employees during the term of this Agreement.

**8.6.1.** In order to implement the terms of this Section 8.6, you agree that: (a) Official Senders are authorized to send e-mails to you and your employees; (b) you will cause your officers, directors, and employees (as a condition of their employment or position with you) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as we may reasonably require) to Official Senders' transmission of e-mails to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the time that such person works for or is affiliated with Franchisee; and (c) you will not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the term of this Agreement.

**8.6.2.** The consent given in this Section 8.6 shall not apply to the provision of notices under this Agreement by either party using e-mail (unless the parties otherwise agree in a pen-and-paper writing signed by both parties).

### 8.7. Credit Cards and Debit Cards.

Without limiting any other obligations you have this Agreement, with respect to your acceptance and processing of customer payments by credit and debit cards, you agree to do all of the following:

**8.7.1.** You will maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Credit Card Vendors**") that we may periodically designate as mandatory or, if we do not designate mandatory Credit Card Venders, then you will select a Credit Card Vendor consistent with standards that we may specify in the Manual. As a condition of approving any Credit Card Vendor, we may require that the Credit Card Vendors comply with our reporting standards. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). You agree not use any Credit Card Vendor for which we have not provided to you our prior written approval (or which does not meet our standards if we do not require use of designated vendors), or as to which we have revoked our earlier approval. We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider. The obligations specified in this Section include your

agreement to pay the applicable charges imposed by the Credit Card Vendors for participation in, and transactions conducted through, those methods.

**8.7.2.** You will comply with all of our policies regarding acceptance of payment by credit and/or debit cards (we may set these requirements in the Manual).

**8.7.3.** You will comply with our requirements concerning data collection and protection, as specified in Section 8.5 above.

**8.7.4.** You will comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance upon reasonable request, which may include having an independent and qualified third party, which we designate or approve, conduct a compliance audit.

## 9. BRAND FUND AND ADVERTISING

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

### 9.1. Advertising and Funds.

We have the right to establish, at any time, the Brand Fund and Regional Funds, as described in this Section 9.

### 9.2. Advertising Obligation.

For each Period during the term of this Agreement, we may require that you do the following: (a) contribute monies to the Brand Fund (as described in Section 9.3 below); (b) contribute monies to a Regional Fund (as described in Section 9.4 below); and/or (c) spend amounts on local advertising (as described in Section 9.5 below) in such amounts as we designate under Section 9.2.1 below, provided that the amounts that we require will not, in the aggregate, exceed an amount equal to (i) four percent (4%) of the Gross Sales of the Franchised Business during the preceding Period, *plus* (if applicable) (ii) the amount by which the Minimum Local Ad Spend (as defined below) exceeds your then-current Local Ad Percentage Spend (as defined below) for the Period (the "**Advertising Obligation**").

**9.2.1.** We will specify the respective portions of the Advertising Obligation that you must contribute to the Brand Fund, contribute to any Regional Fund, and/or spend directly on local advertising and promotion, and we may adjust the respective portions from time to time. As of the Effective Date, the Advertising Obligations are allocated as: (a) contributions in the amount of two percent (2.0%) of your Gross Sales to the Brand Fund; and (b) expenditures on local advertising (in accordance with Section 9.5 below) in an amount equal to the greater of two percent (2.0%) of your Gross Sales for that Period (the "**Local Ad Percentage Spend**") or One Hundred Dollars ($100) (the "**Minimum Local Ad Spend**").

**9.2.2.** You understand that the Advertising Obligations are the amounts that we may require you to contribute or spend, and that these required amounts may not be sufficient in all cases to develop or maintain adequate exposure to the services offered by your Franchised Business. You may, in your business judgment, spend additional amounts on advertising to promote your Franchised Business and the services you offer in your Territory. If you spend monies on local advertising in excess of the amounts that we require as part of the Advertising Obligations, the additional amounts will not be applied to, or otherwise reduce, your obligations to contribute amounts to the Brand Fund or, if applicable, a Regional Fund for any Period.

**9.2.3.** For all company-owned or affiliate-owned Engineering For Kids Businesses, we or our affiliates will contribute to the Brand Fund and/or a Regional Fund on the same basis as franchisees; provided, however that moneys that we or our affiliates spend on activities, materials or products to advertise and promote the System and Businesses (which may include costs for the System website, Online Sites, and other on-line advertising (other than advertising primarily targeted toward the sale of franchises) will be credited towards our or our affiliates' contribution obligations.

### 9.3. Brand Fund

**9.3.1.** We have the right, but not the obligation, to establish, maintain and administer a system-wide advertising, marketing, promotional, and brand fund ("Brand Fund", or such other name as we may designate) for the "Engineering For Kids" brand and Businesses. As of the Effective Date, we have a Brand Fund in effect.

**9.3.2.** We have the right to determine the proper operation and other decisions of the Brand Fund. We may use your contributions and any earnings on the Brand Fund for any costs associated with advertising, marketing, public relations, and/or promotional programs and materials, and any other activities we believe would benefit Franchised Businesses generally and the "Engineering For Kids" brand name and System, including advertising campaigns in various media; creation and maintenance of online marketing (including one or more Online Sites, social media/networking and other digital media); direct mail advertising; market research, including secret customers and customer satisfaction surveys; employing advertising and/or public relations agencies; purchasing promotional items; conducting and administering promotions, contests, giveaways, public relations events, community involvement activities, etc.; providing promotional and other marketing materials and services to our franchisees; and on materials and/or services designed to promote the brand and employment opportunities in order to facilitate selection and hiring of qualified staff. We have the right to deduct from the Brand Fund 15% of the monies in the Brand Fund on contributions for administration and management of the Brand Fund. We have the right to direct all marketing programs, with the final decision over creative concepts, materials, and media used in the programs and their placement. We do not guarantee that you will benefit from the Brand Fund in proportion to your contributions to the Brand Fund.

**9.3.3.** We will deposit all contributions to the Brand Fund in an account separate from our other funds and will not use them to defray any of our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including full or partial salaries of our personnel who devote full- or part-time services to Brand Fund activities).

**9.3.4.** We will make available to you, at a reasonable cost, any promotional materials produced with Brand Fund monies, and we will deposit the proceeds of those sales into the Brand Fund account. We are not required to have an independent audit of the Brand Fund completed. We will make available an unaudited statement of contributions and expenditures for the Brand Fund ninety (90) days after the close of our fiscal year to franchisees that make a written request for a copy.

### 9.4. Regional Fund.

We have the right to designate any geographical area for purposes of establishing a regional marketing fund ("Regional Fund"). If we have established a Regional Fund for the geographic area in which your Franchised Business is located by the time you commence operations hereunder, you must immediately become a member of such Regional Fund. If we establish a Regional Fund for the geographic area in which your Franchised Business is located the Term of this Agreement, you must become a member of such Regional Fund within thirty (30) days after the date on which the Regional Fund commences operation. In no event will you be required to be a member of more than one Regional Fund. The following provisions will apply to each such Regional Fund:

**9.4.1.** Each Regional Fund will be organized and governed in a form and manner, and will commence operations on a date, that we have approved in advance in writing.

**9.4.2.** Each Regional Fund will be organized for the exclusive purpose of administering regional marketing programs and developing, subject to our approval, standardized promotional materials for use by the members in local marketing and promotion.

**9.4.3.** To the extent the Regional Fund is permitted or wishes to develop advertising, marketing, or promotional plans or materials, such advertising, marketing, or promotional plans or materials may not be used by a Regional Fund or furnished to its members without obtaining our prior approval pursuant to the procedures and terms as set forth in Section 9.7 below.

**9.4.4.** You must contribute each Period (commencing from the time we establish the Regional Fund) to the Regional Fund as provided in Sections 3.3 and 9.2, together with submitting such statements or reports as we, or the Regional Fund with our prior written approval, may require. If we request, you must submit your Regional Fund contribution and reports to the Regional Fund directly to us for distribution to the Regional Fund.

**9.4.5.** Unless we designate otherwise in writing when we establish a Regional Fund, we will administer the Regional Fund in the same manner as described in Section 9.3 regarding the System Creative Fund.

**9.4.6.** Although once established, each Regional Fund is intended to be of perpetual duration, we maintain the right to terminate any Regional Fund. A Regional Fund will not be terminated, however, until all monies in that Regional Fund have been expended for marketing and/or promotional purposes.

### 9.5. Local Advertising and Marketing.

Beginning on the Opening Date and continuing during this Agreement, you must spend on local advertising and marketing of the Franchised Business amounts as required under Section 9.2 above. You must make these local marketing expenditures on a monthly basis. At our request, you must submit appropriate documentation to verify compliance with the minimum spending obligation. We have the right to periodically designate in the Manual the types of expenditures that will or will not count toward the minimum annual spending requirement. You must advertise the Franchised Business online directories or online user guides, as we specify in the Manual or other written instructions. If you advertise jointly with other franchisees, your share of the cost will count toward your local spending requirement under this Section.

### 9.6. Advertising Approval

You agree to conduct all advertising in a dignified manner and to conform to the standards and requirements we specify from time to time in the Manual or other written materials. All local marketing, advertising, and promotion must be in such media, and of such type and format, as we may approve. You are responsible for the cost of all local marketing, advertising and promotional materials, but we will make available to you, for review, approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared. We will have the final decision on all creative development of advertising and promotional messages. You must submit to us in writing, for our approval before your use, all proposed plans, promotion materials, and advertising that we did not prepare or approve in the previous year, along with a description of the mode and means by which the proposed marketing would be used. If you do not receive our written approval within 10 business days from the date we received the material, the material is deemed disapproved. We reserve the right to require you to discontinue the use of any advertising or marketing materials. You will be solely responsible for complying with all applicable laws and regulations relating to any advertising by or for you and your Franchised Business. Our review of any proposed marketing and promotional plans and materials will be limited to reviewing the trademarks and the content of the proposed advertising from a branding and trademark protection perspective, and we will not evaluate proposed materials or plans for compliance with applicable legal requirements.

### 9.7. Special Promotions

You agree to participate in and comply with special promotional activities that we may prescribe from time to time for Engineering For Kids Businesses generally or in specific geographic areas or for specific types of venues. You agree to bear your own costs of participating locally in such promotions**.**

### 9.8. Initial Marketing Campaign

You agree to conduct an initial marketing campaign for the Franchised Business (the "**Initial Marketing Campaign**") during the first three (3) months of operation of the Franchised Business. You must spend at least Two Thousand Five Hundred Dollars ($2,500) in connection with the Initial Marketing Campaign. Your expenditures for the Initial Marketing Campaign will count towards any advertising contributions or expenditures you are otherwise required to make under this Agreement pursuant to Section 3.3 above for the first three-month period. You must obtain our prior written approval as provided in Section 9.6 above before implementing any advertising plans and/or making any use or placement of advertising and promotional materials as part of the Initial Marketing Campaign. You understand that the Initial Marketing Campaign may not be sufficient in all cases to develop adequate exposure to the services offered by your Franchised Business, and that it may be necessary for you to supplement the Initial Marketing Campaign with additional initial advertising and promotional expenditures and efforts.

## 10. PROPRIETARY MARKS AND COPYRIGHTS

### 10.1. Your Right to Use Our Proprietary Marks

Your right to use the Proprietary Marks applies only to the Franchised Business operated in your Territory as expressly provided in this Agreement. During the term of this Agreement and after its expiration or termination, you agree not to directly or indirectly contest, or aid in contesting, the validity or ownership of the Proprietary Marks or take any action detrimental to our rights in the Proprietary Marks.

### 10.2. Your Acknowledgments

You acknowledge that: (a) the Proprietary Marks serve to identify our services and the businesses operating under the System; (b) your use of the Proprietary Marks under this Agreement does not give you any ownership interest in them; and (c) all goodwill associated with and identified by the Proprietary Marks inures exclusively to our benefit and is our property. Upon the expiration or termination of this Agreement, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under this Agreement.

### 10.3. Limitations on Your Use of Our Proprietary Marks

**You agree:**

**10.3.1.** To use only the Proprietary Marks we designate, and only in the manner we authorize;

**10.3.2.** To use the Proprietary Marks only for the operation of the Franchised Business in the Territory and in advertising the Franchised Business inside the Territory;

**10.3.3.** To operate and advertise the Franchised Business only under the name "Engineering For Kids" without prefix or suffix;

**10.3.4.** To ensure that the Proprietary Marks are used together with the symbol (such as "®", "™", or "SM") that we require from time to time.

**10.3.5.** To permit us or our representatives to inspect your operations to assure that you are properly using the Proprietary Marks;

**10.3.6.** To use the Proprietary Marks to promote and to offer for sale only the products and services that we have approved, and not use any Proprietary Marks in association with the products, materials or services of others;

**10.3.7.** Not to use or permit the use or display of the Proprietary Marks as part of any Internet domain name or website, other Online Site, or any other electronic identifier (including but not limited to e-mail addresses, account names in a social media site, and the like) in any forum or medium;

**10.3.8.** Not to use the Proprietary Marks to incur any obligation or indebtedness on our behalf;

**10.3.9.** Not to use any of the Proprietary Marks: (a) as part of your corporate or legal name; and/or (b) in connection with any employment or H.R. documents (including but not limited to employment applications, paychecks, pay stubs, and employment agreements);

**10.3.10.** That your use of the Proprietary Marks does not give you any ownership or other interest in or to the Proprietary Marks (except the license granted by this Agreement);

**10.3.11.** To accept the validity of the Proprietary Marks as they exist now and in the future and agree that you will not contest the validity of any of the Proprietary Marks at any time; and

**10.3.12.** To comply with our instructions in filing and maintaining trade name or fictitious name registrations, and sign any documents we deem necessary to obtain protection of the Proprietary Marks or to maintain their continued validity and enforceability.

### 10.4. Changes to Our Proprietary Marks

We have the right, upon reasonable notice, to change, discontinue, or substitute for any of the Proprietary Marks and to adopt new Proprietary Marks for use with the System without any liability for any diminishment of the brand. You agree to implement any such change at your own expense within the time we reasonably specify.

### 10.5. Third-Party Challenges

**10.5.1.** You agree to promptly notify us if you learn of any suspected infringement of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the Proprietary Marks.

**10.5.2.** You understand and agree that we will have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement of such a matter. You also understand and agree that we have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

**10.5.3.** If you have used the Proprietary Marks in accordance with this Agreement and our other written instructions, then we will defend you, at our expense, against any third party claim, suit, or demand involving the Proprietary Marks arising out of your use of those marks. If you have used the Proprietary Marks but not in accordance with this Agreement and our other written instructions, then we will still defend you, but at your expense, against such third party claims, suits, or demands; and you agree to pay all of our expenses (including but not limited to attorney's fees) as and when we ask that you do so.

**10.5.4.** If we undertake the defense or prosecution of any litigation relating to the Proprietary Marks, you agree to execute any and all documents and do the things that our counsel deems

necessary to carry out such defense or prosecution (including, but not limited to, becoming a nominal party to any legal action).

### 10.6. Our Ownership and Your Right to Use the Works

"Works" means the Programs, Proprietary Materials and all other existing and future materials developed for use in connection with the Engineering For Kids System, regardless of who created the materials or the language or media in which they appear. You acknowledge that we are the sole owner of any and all copyrights in the Works and all rights, benefits, and goodwill derived therefrom. Your right to use the Works applies to the Franchised Business operated in your Territory during the term of this Agreement as expressly provided in this Agreement. You will not, during or after the term of this Agreement: (a) dispute our ownership of the copyrights in the Works; (b) challenge the validity of any copyrights in the Works; or (c) do anything by itself or aid, abet or assist others to perform acts which would infringe on the copyrights in the Works. At our request, you will deliver all Works created or developed by you or your employees and agents to us in a mutually-agreed electronic format.

## 11. BRAND EXCELLENCE MANUAL

We will furnish you with electronic access to our Brand Excellence Manual (the "**Manual**"), on loan, for as long as this Agreement or a successor agreement remains in effect. We reserve the right to furnish all or part of the Manual to you in electronic form or online and to establish terms of use for access to any restricted portion of our website. You acknowledge that we own the copyright in the Manual and that your copy of the Manual remains our property. You agree to treat the Manual, training materials, and any other manuals or materials created or approved by us for use with the System as secret and confidential. You agree not to copy, duplicate, record or otherwise reproduce the Manual or other materials provided by us, in whole or in part. In addition, you agree not to make any confidential information or materials supplied by us available to any unauthorized person. We have the right to amend and supplement the Manual from time to time, by any means, including without limitation, by letter, electronic mail, bulletin, software or other forms of communication. You agree to consult with the most current version or the Manual and, to the extent we provide a hardcopy of the Manual, to keep your copy of the Manual up-to-date, and to comply with each new or changed standard promptly upon receipt of notice from us. If a dispute develops relating to the contents of the Manual, the version of the Manual that we maintain will control.

## 12. CONFIDENTIAL INFORMATION

During and after the term of this Agreement, you may not communicate, divulge or use for any purpose other than the operation of the Franchised Business any confidential information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of your relationship with us. You may divulge confidential information only to your professional advisers and to your employees who must have access to the information to operate the Franchised Business. All information, knowledge and know-how relating to us, our business plans, or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure; or which, at the time of our disclosure to you, had become a part of the public domain. You must require your employees, and any other person or entity to which you wish to disclose any confidential information, to execute agreements, in the form provided in Appendix C to this Agreement, that they will maintain the confidentiality of the disclosed information. Your failure to obtain execution of a covenant required by this Section 12 shall constitute a default under Section 15.2.14 below.

## 13. TRANSFERS BY US

We have the unrestricted right to transfer or assign all or any part of our rights and/or our obligations under this Agreement to any person or legal entity without your consent. You agree that we will have no liability after the effective date of transfer or assignment for the performance of, or for any failure to perform, any obligations we have transferred. We also have the absolute right to delegate to others the performance of any of our duties, obligations, or benefits under this Agreement.

## 14. TRANSFERS BY YOU

### 14.1. Definition of Transfer

In this Agreement, "**Transfer**" as a verb means to sell, assign, give away, pledge, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in this Agreement, in the assets of the Franchised Business, or in the ownership (direct or indirect and/or beneficial) of Franchisee (if the Franchisee is a corporation, partnership, or limited liability company). "**Transfer**" as a noun means any such sale, assignment, etc.

### 14.2. No Transfer without Our Consent

Neither you nor any of the Owners may make any Transfer or permit any Transfer to occur without obtaining our prior written consent. We have sole and absolute right to withhold our consent, except as otherwise provided in Sections 14.3 through 14.9. We have the right to communicate with and counsel both you and the proposed transferee on any aspect of a proposed Transfer. You may not complete a Transfer that requires our consent until at least sixty (60) days after we receive written notice of the proposed Transfer. You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require. Unless otherwise agreed, we do not waive any claims against the transferring party if we approve the Transfer. You are not permitted make a Transfer to a third party operating (or who intends to operate) a Competitive Business (as defined in Section 17.3.1 below) not under the System.

### 14.3. Transfer with Change in Control

For a proposed Transfer of the Franchised Business or this Agreement (or, if you are a corporation or other entity, a Transfer of ownership interests that would result in your change of control), the following conditions apply (unless waived by us):

**14.3.1.** You must be in compliance with all obligations to us under this Agreement and any other agreement you have with us and our affiliates as of the date of the request for our approval of the Transfer, or you must make arrangements satisfactory to us to come into compliance by the date of the Transfer.

**14.3.2.** The proposed transferee must complete all of the following requirements:

**a.** Demonstrate to our satisfaction that he or she meets all of our then-current qualifications to become an Engineering For Kids Business franchisee.

**b.** Sign our then-current standard form of Franchise Agreement (or the standard form most recently offered to new franchisees, if we are not then offering franchises to new franchisees) for a new initial term. There is no limitation on the extent to which the terms of the new Franchise Agreement may differ from the terms of this Agreement, except that your Territory will remain the same as in this Agreement.

**c.** Successfully complete our then-current training requirements and pay the then-current fee for training.

**d.** Make arrangements to modernize, upgrade, and conform the Franchised Business, at the transferee's expense, to our then-current standards and specifications for new Engineering For Kids Businesses.

**e.** If the proposed transferee is one of our other franchisees, he or she must not be in default under his or her agreements with us and must have a good record of customer service and compliance with our operating standards.

**f.** If the transferee is a corporation or other entity, the owner or owners of a beneficial interest in the transferee must execute our then-current form of personal guarantee.

**14.3.3.** You must pay the applicable transfer fee, as specified in Section 14.4 below.

**14.3.4.** You and all Owners must sign and deliver to us a general release, in a form satisfactory to us, of all claims against us and our past, present and future affiliates, officers, directors, shareholders, members, managers, agents and employees. You and the Owners will remain liable to us for all obligations arising before the effective date of the Transfer.

**14.3.5.** The price and other proposed terms of the Transfer must not, in our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchised Business.

**14.3.6.** We will have the right to communicate with the proposed buyer (and its counsel) and to: truthfully answer their questions about our System, our company, and your operations; exchange information; and seek information from the buyer about their qualifications and characteristics. You, any additional proposed transferor(s), and the proposed buyer(s) must cooperate with us in this regard, including to cooperate with us in obtaining the information that we need in order to review and consider the qualifications of a prospective transferee and to provide us with a copy of the purchase agreement with the buyer.

### 14.4. Transfer Fee

For a proposed Transfer of the Franchised Business or this Agreement (or, if you are a corporation or other entity, a Transfer of ownership interests that would result in a change of control of your entity), you must pay to us a Transfer fee in the amount of Five Thousand Dollars ($5,000), unless the Transfer qualifies for the reduced fee for a partial interest Transfer under Section 14.5 below.

### 14.5. Transfer of Partial Ownership Interest

For any proposal to admit a new Owner, to remove an existing Owner, or to change the distribution of ownership shown on the cover page, or for any other transaction that amounts to the Transfer of a partial interest in the Franchised Business, and provided that all such changes would not result in a change of control of your entity, you must give us advance notice and submit a copy of all proposed contracts and other information concerning the Transfer that we may request. Provided that you provide us with all information and documents that we request in connection with the partial Transfer under this Section 14.5, we will reduce the transfer fee payable to us to One Thousand Four Hundred Dollars ($1,400). We will have a reasonable time (not less than thirty (30) days) after we have received all requested information to evaluate the proposed Transfer. You must satisfy the conditions in Sections 14.3.2(a), 14.3.3, 14.3.4, 14.3.5, and 8.4 above in connection with any such Transfer. We may withhold our consent on any reasonable grounds or give our consent subject to reasonable conditions. You acknowledge that any proposed new owner must submit a personal application and execute a personal guarantee in the same form signed by the original Owners.

### 14.6. Transfer to a Corporation or Other Entity

We will consent to the assignment of this Agreement to a corporation, partnership or limited liability corporation that you form for the convenience of ownership, provided that: (a) the entity has and will have no other business besides operating an Engineering For Kids Business; (b) you satisfy the conditions in Sections 14.3.1 - 14.3.5 above; and (c) the Owners hold equity interests in the new entity in the same proportion shown on the cover page. We will not impose a Transfer fee for such a transfer, provided that you reimburse us for any out-of-pocket expenses that we incur in reviewing and/or documenting a Transfer under this Section 14.6.

### 14.7. Transfer upon Death or Incapacity

If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of Sections 14.2 through 14.9, as applicable (will not impose a Transfer fee for such a transfer, provided that you reimburse us for any out-of-pocket expenses that we incur in reviewing and/or documenting a Transfer under this Section 14.7). In addition, if the deceased or incapacitated person is the Operating Principal, we will have the right (but not the obligation) to take over operation of the Franchised Business until the Transfer is completed and to charge a reasonable management fee for our services. For purposes of this Section, "**incapacity**" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement: (i) for a period of thirty (30) or more consecutive days; or (ii) for sixty (60) or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 14.3, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 14.7 within six (6) months after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement under Section 15.2.

### 14.8. Non-Conforming Transfers

Any purported Transfer that is not in compliance with this Section 14 is null and void and constitutes a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure. Our consent to a Transfer does not constitute a waiver of any claims that we have against the transferor, nor is it a waiver of our right to demand exact compliance with the terms of this Agreement.

### 14.9. Our Right of First Refusal

We have the right, exercisable within thirty (30) days after receipt of the notice specified in Section 14.2, to send written notice to you that we intend to purchase the interest proposed to be Transferred. We may assign our right of first refusal to someone else either before or after we exercise that right. However, our right of first refusal will not apply with regard to a Transfer under Section 14.6, or a Transfer to your parents, spouse, son, daughter, or mother or father in-law (including Transfers to your parents, spouse, son, daughter, or mother or father in-law as a result of death or incapacity as described in Section 14.7).

**14.9.1.** If the Transfer is proposed to be made pursuant to a sale, we or our designee may purchase the interest proposed to be Transferred on the same economic terms and conditions offered by the third-party. Closing on our purchase must occur within sixty (60) days after the date of our notice to the seller electing to purchase the interest. If we cannot reasonably be expected to furnish the same consideration as the third party, then we may substitute the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash, then we will designate an independent appraiser and the appraiser's determination will be final (and the parties shall equally share the cost of such an appraisal). Any material change in the terms of the offer from a third-party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the third party's initial offer.

**14.9.2.** If a Transfer is proposed to be made by gift, we will designate an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser (and the parties shall equally share the cost of such an appraisal). Closing on the purchase will occur within thirty (30) days after our notice to the transferor of the appraiser's determination of fair market value.

**14.9.3.** If we elect not to exercise our rights under this Section, the transferor may complete the Transfer after complying with Sections 14.2 through 14.7. Closing of the Transfer must occur within sixty (60) calendar days of our election (or such longer period as applicable law may require);

otherwise, the third-party's offer will be treated as a new offer subject to our right of first refusal. The Transfer is conditional upon our determination that the Transfer was on terms substantially the same as those offered to us.

## 15. TERMINATION

### 15.1. Termination by Us - Without Notice

You will be in default under this Agreement and all rights granted by this Agreement will automatically terminate without notice to you if you become insolvent or make an assignment for the benefit of your creditors; if a receiver is appointed; if execution is levied against your business assets; or if suit to foreclose any lien or mortgage or bankruptcy is instituted against you and not dismissed within sixty (60) days.

### 15.2. Termination by Us - Without a Cure Period

We may terminate this Agreement by written notice to you, without giving you an opportunity to cure, upon the occurrence of any of the following events:

**15.2.1.** You, the Operating Principal and/or your Designated Employees fail to complete training under Section 5.1 to our satisfaction.

**15.2.2.** You fail to open for business by the opening deadline specified in Section 4.

**15.2.3.** You disclose the contents of the Manual or other trade secrets or confidential information contrary to Sections 11 and 12 of this Agreement.

**15.2.4.** You refuse to permit, or try to hinder, an examination or audit of your books and records or of the Franchised Business as provided in this Agreement.

**15.2.5.** You make any material misrepresentation in connection with your application to us for the franchise, or you submit to us any report or statement that you know or should know to be false or misleading.

**15.2.6.** You underreport Gross Sales by more than 2% on three occasions or more in any eighteen-month period or by 5% or more for any period of one month or greater.

**15.2.7.** You fail to (a) operate the Franchised Business or conduct Programs for three (3) or more consecutive business days on which you were required to operate, or (b) to conduct the minimum number of hours of Programs as we may require under Section 6.16 of this Agreement during any three (3) consecutive periods, unless we determine, in our sole discretion, that the failure was beyond your control.

**15.2.8.** You or any Owner, officer, director, employee is convicted of a crime that we reasonably believe is likely to harm the reputation of the Engineering For Kids concept.

**15.2.9.** Any Transfer occurs that does not comply with Section 14, including a failure to transfer to a qualified successor after death or disability within the time allowed by Section 14.7.

**15.2.10.** You are in default three (3) or more times under Section 15.3 within any eighteen (18) month period, whether or not the defaults are similar and whether or not they are cured.

**15.2.11.** You fail to use the software that we require for an Engineering For Kids Business or you attempt to (or actually do or cause others to) reverse engineer, decompile, remove or defeat the security features, or otherwise uncover the proprietary code for our software.

**15.2.12.** After curing a default pursuant to Section 15.3, you commit the same default within eighteen (18) months, whether or not the second default is cured.

**15.2.13.** Any condition exists with respect to the Franchised Business that, in our reasonable judgment, seriously jeopardizes public health or safety.

**15.2.14.** You fail to comply with the covenants in Section 17 below or fail to timely obtain execution of the covenants required under Section 12 above and Section 17.5 below.

**15.2.15.** You fail to obtain or maintain required insurance.

**15.2.16.** You fail to satisfy the Minimum Performance Standards for your first Operating Year (as defined in Appendix A), and also fail to achieve total Gross Sales during the first three months of your second Operating Year that are equal to twenty-five percent (25%) of the Minimum Performance Standards that apply for your second Operating Year.

**15.2.17.** If you fail to satisfy the Minimum Performance Standards for any Operating Year during this Agreement following your first Operating Year.

### 15.3. Termination by Us - Following Expiration of Cure Period

For any default not covered under Section 15.1 or 15.2 above, you will have thirty (30) days after written notice of default from us within which to remedy the default. You may avoid termination by curing the default to our satisfaction within the 30-day period (or such longer period as applicable law may require). If the default is not cured within the specified time, this Agreement will terminate automatically and without further notice, effective immediately upon the expiration of the specified time period. Any failure to comply with this Agreement, as amended or reasonably supplemented by the Manual or otherwise in writing, constitutes a default subject to this Section 15.3 (except as otherwise provided in Sections 15.1-15.2 above), including, but not limited to, any or all of the following:

**15.3.1.** If you fail, refuse, or neglect to pay when due any monies owing to us, our affiliates, your suppliers, and any lender that has provided financing to you under this Agreement or any other agreement.

**15.3.2.** If you fail, refuse, or neglect to submit to us the financial and other reports (including Gross Sales Reports) and information required under this Agreement.

**15.3.3.** If you fail to comply with any of the mandatory standards or procedures prescribed by us in this Agreement, the Manual, or otherwise in writing.

**15.3.4.** If you fail, refuse, or neglect to obtain our prior written approval or consent as required by this Agreement (other than a failure to obtain consent to a proposed Transfer, for which we may terminate without a cure period as provided in Section 15.2).

**15.3.5.** If, for a period of fifteen (15) days, you allow a continued violation of any law, ordinance, rule or regulation of a governmental agency, including the failure to maintain or procure any required licenses, permits, or certifications, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.

**15.3.6.** If you misuse or make any unauthorized use of the Proprietary Marks or otherwise materially impair our goodwill or rights in the Proprietary Marks.

### 15.4. Cross-Default

Any default by you (including for this purpose your affiliates) under any other agreement with us (or our affiliates) will also constitute a default under this Agreement, subject to the same provisions for notice and cure, if any, as may be applicable to the default under the other agreement.

## 16. OBLIGATIONS ON TERMINATION OR EXPIRATION

**16.1. Your Obligations.** Upon termination or expiration of this Agreement for any reason, unless we direct you otherwise:

**16.1.1.** You must promptly pay all sums owing to us, our affiliates and suppliers, including, but not limited to, Royalty fees, Advertising Allocations, or other fees, damages, expenses, and attorney's fees incurred as a result of your default.

**16.1.2.** You must stop making any use of the confidential methods, procedures, and techniques associated with the System (including but not limited to the software programs that we provide to you). You must immediately deliver to us the Manual and all training materials, marketing materials, records, files, forms, instructions, signs, equipment, correspondence, copies, Data, customer contracts and other property in your possession or control that contain confidential information (as defined in Section 12) or that bear the Proprietary Marks and you agree not to retain any unauthorized copies of these materials. You also must deliver to us all customer information that you have compiled.

**16.1.3.** You must immediately cease to use, by advertising or in any other manner, the name "Engineering For Kids," all other Proprietary Marks, and all other distinctive forms, slogans, signs, symbols, Web sites, domain names, email addresses, and devices associated with the System. If you subsequently begin to operate another business, you also must not use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks that you used either in connection with the Franchised Business or its promotion, which is likely to cause confusion, mistake or deception, or which is likely to dilute our exclusive rights in and to the Proprietary Marks, nor any trade dress or designation of origin or description or representation which falsely suggests or represents an association or connection with us.

**16.1.4.** You must promptly take such action as may be necessary to cancel any assumed name registration or equivalent registration containing the name "Engineering For Kids" or any other Proprietary Marks.

**16.1.5.** You must arrange for us or our designee to operate any ongoing Programs conducted by the Franchised Business, without interruption, until the completion of the Program(s) (as contracted with your participants and customers). You acknowledge and agree that you will not be entitled to any compensation if we (or our designee) operate any Programs pursuant to this Section 16.1.5 following termination or expiration of the Franchise Agreement. You must provide such assistance as we or our designee require in order for you to fulfill your obligations under this Section 16.1.5.

**16.2. Pay Damages.** You must pay all damages, costs and expenses, including, but not limited to, reasonable attorneys' fees, that we incur in enforcing the terms of this Agreement, including but not limited to Sections 16 and 17.2.

## 17. RESTRICTIONS ON COMPETITION

### 17.1 Full Time Efforts.

You agree that during the term of this Agreement, except as we have otherwise approved in writing, you (or the Operating Principal) will devote full time, energy, and best efforts to the management and operation of the Franchised Business on year-round basis.

### 17.2. Understandings.

You acknowledge that: (a) under this Agreement you will have access to valuable and confidential information regarding the System, including our business development strategy and the operational, sales, promotional and marketing methods of "Engineering For Kids" Businesses; (b) the System and the opportunities, associations and experience we have established and that you will have access to under this Agreement are of substantial and material value; (c) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (d) we would be unable to adequately protect the System and its trade secrets and confidential information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among franchisees in our system if franchisees were permitted to hold interests in Competitive Businesses (as defined below); and (e) restrictions on your right to hold interests in, or perform services for, Competitive Businesses will not unreasonably or unnecessarily hinder your activities.

### 17.3. During Term

Accordingly, you agree that during the term of this Agreement, you will not, without our prior written consent, either directly or indirectly through any other person or entity:

**17.3.1.** Own, manage, engage in, be employed by, advise, make loans to, consult for, rent or lease to, or have any other interest in any Competitive Business (the term "**Competitive Business**" means a business engaged in the provision of services that are the same as or similar to an Engineering For Kids Business, including, but not limited to, the provision of youth educational and enrichment programs and services relating to the fields of math, science, technology or engineering; and the term "**Competitive Business**" also includes making use of the Data for any purpose whatsoever other than in connection with your Engineering For Kids Business pursuant to this Agreement); or

**17.3.2.** Divert or attempt to divert any business, customer, or participant, or potential business, customer, or participant, to any Competitive Business.

### 17.4. After Termination, Expiration or Transfer

For two (2) years from the date of: (a) a Transfer permitted under Section 14 above; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 17.4 (collectively, the "**Post-Term Period**"); you agree that you will not directly or indirectly own, manage, engage in, be employed by, advise, make loans to, consult for, or have any other interest in any Competitive Business that is, or intends to operate, inside the Territory, within an area extending five (5) miles beyond the perimeter of the Territory, and/or within any other Territory in which an Engineering For Kids Business operates at the time of expiration, termination, or transfer. You also agree that during the Post-Term Period you will not contact any current or former customers or participants of the Franchised Business, or divert or attempt to divert to a Competitive Business any current or former customers or participants of the Franchised Business. This Section 17.4 does not apply, of course, to another Engineering For Kids Business that you operate pursuant to a separate agreement with us that remains valid and in effect.

### 17.5. Owners and Employees

The Owners personally bind themselves to this Section 17 by signing this Agreement and/or the attached Guaranty. With respect to the Owners, the time period in Section 17.4 will run from the expiration, termination, or Transfer of this Agreement or from the termination of the Owner's relationship with you, whichever occurs first. You must also require and obtain execution of covenants similar to those set forth in Section 12 above, and this Section 17 (as modified to apply to an individual), from any or all of the following persons: your officers, directors, and senior management employees. The covenants required

by this Section 17.5 shall be in the form provided in Appendix C to this Agreement, and we may also require that you obtain confidentiality agreements from the remainder of your employees as a measure to protect the System and our confidential information. Your failure to obtain execution of a covenant required by this Section 17.5 shall constitute a default under Section 15.2.14 above.

**17.6. Indirect Violations Prohibited**

You may not attempt to circumvent the restrictions in Sections 17.3 and 17.4 by engaging in prohibited activity indirectly through any other person or entity.

**17.7. Enforcement**

You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 17. You agree to pay all costs and expenses that we reasonably incur in enforcing this Section 17, including reasonable attorneys' fees. You acknowledge that a violation of the terms of this Section 17 would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you consent to the issuance of an injunction prohibiting any conduct in violation of the terms of this Section 17. Such injunctive relief will be in addition to any other remedies that we may have.

**17.8 Defaults**

You acknowledge that your violation of the terms of this Section 17 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct in violation of the terms of this Section 17.

## 18. RELATIONSHIP OF THE PARTIES

**18.1. Independent Contractor Relationship**.

The parties acknowledge and agree that: (a) this Agreement does not create a fiduciary relationship between them; (b) you will be an independent contractor; (c) you are the only party that is in day-to-day control of your franchised business, even though we will share the brand and Proprietary Marks as specified in this Agreement, and neither this Agreement nor any of the systems, guidance, processes, or requirements under which you operate alter that basic fact; and (d) nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever; and (e) neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa. You are not authorized to (and you agree that you will not) make any contract, agreement, warranty, or representation on our behalf, or to create any obligation, express or implied, on our behalf.

**18.2 Notice of Status.** At all times during the term of this Agreement, you agree to hold yourself out to the public and to your employees and any staff as an independent business owner and contractor operating the Franchised Business under license from us. You agree to take such action as may be necessary to do so, including, without limitation, exhibiting a notice to that effect (the location and content of which we reserve the right to specify) at the premises where you operate, on all promotional materials, invoices, stationery, and any employment and H.R. documents. You also agree not to make any reference to us and/or the Proprietary Marks on employment and H.R. documents, including but not limited to applications, pay stubs, payment notices, employment agreements, correspondence with your employees, etc.

## 19. INDEMNIFICATION

You agree to hold harmless, defend, and indemnify us and our past, present and future affiliates, officers, directors, shareholders, agents, attorneys, consultants, and employees against any claims, losses, costs, expenses (including, but not limited to, reasonable attorneys' fees, costs of investigation, settlement costs, and interest), liabilities and damages (collectively, "**Claims**") arising directly or indirectly from, as a result of, or in connection with your activities under this Agreement. With respect to any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect us or any of the other indemnitees under this Section, we will have the right, but not the obligation, to: (i) choose counsel; (ii) direct and control the handling of the matter; and/or (iii) settle any claim against the indemnitees. This Section will survive the expiration or termination of this Agreement, and applies to Claims even if they exceed the limits of your insurance coverage.

## 20. CONSENTS AND WAIVERS

### 20.1. Consent

Whenever our prior written consent is required under this Agreement, you agree to make a timely written request to us for such consent. Our approval or consent must be in writing and signed by an authorized officer to be effective.

### 20.2. Waivers

No delay or failure to exercise any right under this Agreement or to insist upon your strict compliance with any obligation or condition, and no custom or practice that differs from the terms of this Agreement, will constitute a waiver of our right to exercise the contract provision or to demand your strict compliance with the terms of this Agreement. Our waiver of any particular default does not affect or impair our rights with respect to any subsequent default you may commit. Our waiver of a default by another franchisee does not affect or impair our right to demand your strict compliance with the terms of this Agreement. Our acceptance of any payments due from you does not waive any prior defaults.

## 21. NOTICES

Notices related to this Agreement must be in writing and personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, will be deemed to have been given at the earliest to occur of: (a) the date and time of receipt or rejected delivery; (b) two (2) days after being delivered by the sender, pre-paid, to a reputable overnight delivery service (such as FedEx, UPS, or the USPS); and (c) three (3) days after being delivered, postage pre-paid, to the US Postal Service. Notices to you will be sent to the address in the first page of this Agreement. Notices to us must be sent to our principal business address, which is currently 100 York Boulevard, Suite 400, Richmond Hill, ON L4B 1J8. Either party can change its notice address by sending a written notice of the change to the other party.

## 22. ENTIRE AGREEMENT AND AMENDMENTS

This Agreement and the documents referred to herein constitute the entire agreement between you and us with respect to the Franchised Business in the Territory and supersede all prior negotiations, representations, correspondence, and agreements concerning the same subject matter. However, nothing in this Section is intended as, nor shall it be interpreted to be, a disclaimer by us of any representation made in our Franchise Disclosure Document ("**FDD**"), including the exhibits and any amendments to the FDD.

No amendment of this Agreement will be binding on either party unless it is in writing and signed by both parties.

## 23. SEVERABILITY AND SURVIVAL

**23.1.** Each provision of this Agreement is severable from the others. If, for any reason, any provision is determined by a court to be invalid, the invalidity will not impair the operation of the remaining provisions of this Agreement. The latter will continue to be given full force and effect and bind us and you.

**23.2.** Each provision of this Agreement that expressly or by reasonable implication is to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive such expiration, termination, or Transfer.

## 24. GOVERNING LAW

This Agreement and the relationship between the parties is governed by and will be construed in accordance with the laws of the state of Delaware. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, you are located outside of Delaware, and such provision would be enforceable under the laws of the state in which you are located, then such provision will be interpreted and construed under the laws of that state. Nothing in this Section 24 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the state of Delaware to which this Agreement would not otherwise be subject. In the event of any conflict-of-law question, the laws of Delaware shall prevail, without regard to (and without applying) Delaware conflict-of-law rules.

## 25. DISPUTES

### 25.1. No Class Action Lawsuits

The parties agree that any such action relating to the parties shall be conducted on an individual basis, and not as part of a consolidated, common, or class action; and as such the parties irrevocably waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits.

### 25.2. Mutual Waiver of Jury Trial

To the fullest extent permitted by law, each party irrevocably waives trial by jury in any proceeding, and/or counterclaim brought by either party.

### 25.3. Mutual Waiver of Punitive Damages

To the fullest extent permitted by law, each party irrevocably waives any right to or claim of punitive, exemplary, multiple, or consequential damages against the other in litigation and agrees to be limited to the recovery of actual damages sustained.

### 25.4. Remedies Not Exclusive

Except as provided in Sections 25.1 through 25.4, no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under applicable law.

### 25.5. Our Right to Injunctive Relief

Nothing in this Agreement bars our right to obtain injunctive or declaratory relief against a breach or threatened breach of this Agreement that will cause us loss or damage. You agree that we will not be required to prove actual damages or post a bond or other security in seeking or obtaining injunctive relief (both preliminary and permanent) and/or specific performance.

### 25.6. Attorneys' Fees and Costs

You agree to reimburse us for all expenses we reasonably incur (including attorneys' fees): (a) to enforce the terms of this Agreement or any obligation owed to us by you and/or the Owners; and (b) in the defense of any claim you and/or the Owners assert against us on which we substantially prevail in court or other formal legal proceedings.

### 25.7. Must Bring Claims within One Year

Any and all claims and actions arising out of or relating to this Agreement, our relationship, or your operation of the Franchised Business, brought by any party hereto against the other (excluding claims seeking indemnification), shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or, it is expressly acknowledged and agreed by all parties, such claim or action shall be irrevocably barred.

## 26. FORCE MAJEURE

### 26.1. Impact.

Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control (a "Force Majeure Event"), including without limiting the generality of the foregoing: (a) acts of nature; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, environmental emergencies, epidemics, public health emergencies, and/or other casualties; and/or (d) our inability (and that of our affiliates and/or suppliers) to manufacture, purchase, and/or cause delivery of any Approved Products or items used in the operation of the Franchised Business.

### 26.2. Transmittal of Funds

The inability of either party to obtain and/or remit funds shall be considered within control of such party for the purpose of Section 26.1 above. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that you will remain obligated to promptly pay all fees owing and due to us under this Agreement, without any such delay or extension.

## 27. ACKNOWLEDGMENTS

### 27.1. Independent Investigation

You and the Owners acknowledge that:

**27.1.1.** You have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that it involves business risks and that your results will be largely dependent upon your own efforts and ability;

**27.1.2.** We expressly disclaim the making of, and you acknowledge that you have not received, any representation, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement;

**27.1.3.** Any financial performance information presented in our Franchise Disclosure Document is not a warranty or guaranty of the results that you will achieve, and your experience is likely to differ; and

**27.1.4.** We do not, by virtue of any approvals or advice provided to you, assume responsibility or liability to you or any third-party to which we would otherwise not be subject.

### 27.2. No Conflicting Obligations

Each of the parties represent and warrant to the other that it has (or they have) all the authority required to enter into this Agreement, and that there are no other agreements, court orders, or other legal obligations that would prevent that party from entering into this Agreement and/or carrying out its responsibilities under this Agreement.

### 27.3. Personal Obligations of Owners

The Owners acknowledge that, by signing this Agreement or the Personal Guaranty, they are binding themselves to all of the terms and conditions of this Agreement, including Section 9, Section 14, Section 17, and Section 25.

### 27.4. Your Independence

You and the Owners acknowledge that: (a) you are the only party that employs your employees (even though we may provide you with advice, guidance, and training); (c) we are not the employer of any of your employees, and we will not play any role in decisions regarding their employment (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee and labor matters, review, discipline, and/or dismissal); (c) the guidance that we provide and requirements under which you will operate are intended to promote and protect the value of the brand and the Proprietary Marks; and (d) you have made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming your entity, operating your business, and hiring employees and employment matters employment, engaging professional advisors, and all other facets of your operation.

**27.5. General Release**. If this Agreement is not the first contract between you (and your affiliates) and us (and our affiliates), then you agree to the following:

You (on behalf of yourself and your parent, subsidiaries and affiliates and their respective past and present members, managers, shareholders, officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and all guarantors of your obligations under this Agreement (collectively, "**Releasors**") freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, shareholders, members, managers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "**Releasees**"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "**claims**"), which any Releasor now owns or holds or may at any time have owned or held, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any Releasee, the sale of any franchise to any Releasor, the development and operation of the Franchised Business and the development and operation of all other Businesses operated by any Releasor that are franchised by any Releasee. You expressly agree that fair consideration has been given by us for this general release and you fully understand that this is a negotiated, complete and final release of all claims. This general release does not release any claims arising from representations made in our Franchise Disclosure Document and its exhibits or otherwise impair or affect any claims arising after the date of this Agreement.

The parties, intending to be legally bound, have entered into this Agreement on the date first written above.

**Engineering for Kids International, LLC** _____,
Franchisee

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date signed: _____ Date signed: _____

**APPENDIX A**

TERRITORY, INITIAL FRANCHISE FEE, MINIMUM PERFORMANCE CRITERIA

1. A. The Territory consists of the following area: _____

_____

_____

_____

2. The Authorized Location for the EFK Center Location is: _____

_____

_____

3. Initial Franchise Fee is: $30,000: less, if applicable (*check one if applicable – and only one discount may be applied):

☐ 10% discount* because you are a qualifying Veteran of the U.S. Armed Forces, or

☐ 10% discount* because you are an existing Engineering For Kids Franchisee in good standing and have operated at least one Engineering For Kids Business for at least one year before entering into this Agreement.

The Territory granted will be for approximately 100 schools with grades including some or all of kindergarten through eight. If you desire to add additional schools to the Territory, you must pay us $225 for each school. The amount of the additional fee due is: $_____.

4. Minimum Performance Criteria (see Section 1.4) will be:

| Operating Year*<br>(as defined in Section 1.4) | Minimum Annual Gross Sales<br>at the End of Operating Year* |
|---|---|
| Operating Year 1 | $0 - No minimum |
| Operating Year 2 | $50,000 |
| Operating Year 3 | $75,000 |
| Operating Year 4 and Subsequent Operating Years | $100,000 |

**Initials**

_____ _____

**Franchisor** **Franchisee**

## APPENDIX B

PERSONAL GUARANTY

In order to induce Engineering for Kids International, LLC ("**Franchisor**"), a Delaware limited liability company, to execute an Engineering For Kids Franchise Agreement (the "**Agreement**") with _____ (the "**Company**"), a _____ organized under the laws of _____, the undersigned individuals (collectively, the "**Guarantors**") unconditionally guarantee to Franchisor, its affiliates, and their successors and assigns that all of the Company's obligations under the Agreement, and under other agreements or arrangements between the Company and Franchisor, its affiliates, or their successors or assigns (collectively, the "**Obligations**"), will be punctually paid and performed. The liability of the Guarantors under this Guarantee is joint and several.

1. Guarantee

Upon demand by Franchisor, the Guarantors will immediately satisfy each Obligation. Each Guarantor waives any right to require Franchisor to: (a) proceed against the Company or any other Guarantor for any contribution or payment required under the Agreement; (b) proceed against or exhaust any security from the Company or any other Guarantor; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against the Company or any other Guarantor. Without affecting the liability of the Guarantors under this Guarantee, Franchisor may, without notice to the Guarantors, extend, modify, or release any Obligation, or settle, adjust, or compromise any claims against the Company. The Guarantors waive notice of amendment of the Agreement and notice of demand for contribution or payment by the Company and agree to be bound by any and all such amendments and changes to the Agreement.

2. Indemnity

The Guarantors agree to hold harmless and indemnify Franchisor its affiliates, and their respective officers, directors, shareholders, and employees against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees, reasonable costs of investigation, and court costs) resulting from, consisting of, or arising out of or in connection with any failure by the Company to perform any Obligation.

3. Duration

This Guarantee shall terminate upon the termination or expiration of the Agreement. However, all liabilities of the Guarantors arising from events which occurred on or before the effective date of termination shall remain in full force and effect until satisfied or discharged by the Guarantors. Upon the death of a Guarantor, the estate of the Guarantor shall be bound by this Guarantee, but only for defaults and obligations of the Guarantor existing at the time of death; and the obligations of the other Guarantors will continue in full force and effect.

4. Other Personal Obligations

Except as expressly authorized by the Agreement, the Guarantors shall not make use of any of the intellectual property rights licensed under the Agreement and shall not disclose to any third-party or make use of any trade secrets, know-how, systems or methods of which Guarantors may acquire knowledge by virtue of the training they may have received from Franchisor, their involvement in the business, or their ownership interest in the Company.

The Guarantors acknowledge and agree to be bound personally by all covenants not to compete, confidentiality provisions, provisions concerning the proprietary marks, governing law and dispute resolution provisions, as well as the restrictions on transfer of interest contained in the Agreement (except that this Guarantee does not grant the Guarantors any right to use the "Engineering For Kids" marks or system licensed to Company under the Agreement).

The Guarantors also agree to abide by the provisions of Section 25 of the Agreement concerning dispute resolution (including, but not limited to, the waiver of jury trials, waiver of punitive damages, waiver of class actions, and agreement to bring claims within one year).

GUARANTORS:

Date: _____ _____

Printed Name: _____

Home Address: _____

_____

Date: _____ _____

Printed Name: _____

Home Address: _____

_____

Date: _____ _____

Printed Name: _____

Home Address: _____

_____

**APPENDIX C**

SAMPLE OF NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
(BETWEEN FRANCHISEE AND ITS PERSONNEL)

**THIS SAMPLE OF NON-DISCLOSURE AND NON-COMPETITION AGREEMENT** ("**Agreement**") is made this _____ day of _____, 202___, by and between _____ (the "**Franchisee**"), and _____, who is an officer, director, or employee of Franchisee (the "**Member**").

RECITALS:

**WHEREAS**, Engineering for Kids International, LLC ("**EFK**") has developed a distinctive set of specifications and operating procedures (collectively, the "**System**") for the operation of "Engineering For Kids" youth educational program businesses ("**Engineering For Kids Businesses**").

**WHEREAS**, EFK and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate an Engineering For Kids Business under the terms and conditions of the Franchise Agreement;

**WHEREAS**, Member, by virtue of his or her position with Franchisee, will gain access to certain of EFK's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

**IN CONSIDERATION** of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge or use, for any purpose other than the operation of the Engineering For Kids Business, any confidential information, knowledge, trade secrets or know-how which may be communicated to Member or which Member may learn by virtue of Member's relationship with Franchisee. All information, knowledge and know-how relating to EFK, its business plans, Engineering For Kids Businesses, or the System ("**Confidential Information**") is deemed confidential, except for information that Member can demonstrate came to Member's attention by lawful means prior to disclosure to Member; or which, at the time of the disclosure to Member, had become a part of the public domain.

2. Covenants Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of its position with Franchisee, Member will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of EFK and the System.

(b) Member covenants and agrees that during the term of the Franchise Agreement, except as otherwise approved in writing by EFK, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

**15.3.7.** (i) Own, manage, engage in, be employed by, advise, make loans to, consult for, rent or lease to, or have any other interest in any Competitive Business (the term "**Competitive Business**" means a business engaged in the provision of services that are the same as or similar to an Engineering For Kids Business, including, but not limited to, the provision of youth educational and enrichment programs and services relating to the fields of math, science, technology or engineering; and the term "**Competitive Business**" also includes making use of the customer lists and other data

pertaining to the Engineering For Kids Business for any purpose whatsoever other than in connection with your Engineering For Kids Business pursuant to this Agreement); or

**15.3.8.** (ii) Divert or attempt to divert any business or customer, or potential business or customer, to any Competitive Business;

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by EFK, Member shall not, either directly or indirectly, own, manage, engage in, be employed by, advise, make loans to, consult for, or have any other interest in any Competitive Business that is, or intends to operate, inside the Territory (defined in the Franchise Agreement) or inside any other Territory granted to another Engineering For Kids Business.

(d) As used in this Agreement, the term "**Post-Term Period**" shall mean a continuous uninterrupted period of two (2) years from the date of: (a) a Transfer permitted under Section 14 of the Franchise Agreement; (b) expiration or termination of the Franchise Agreement (regardless of the cause for termination); (c) termination of Member's employment with Franchisee; and/or (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Agreement; either directly or indirectly (through, on behalf of, or in conjunction with any persons, partnership, corporation or entity).

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause EFK irreparable injury, and Member agrees to pay all court costs and reasonable attorney's fees incurred by EFK in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect EFK's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by the EFK or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Third-Party Beneficiary. Member hereby acknowledges and agrees that EFK is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

[**Signatures on following page]**

**IN WITNESS WHEREOF**, the Franchisee and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

| FRANCHISEE | MEMBER |
| --- | --- |
| _____ | _____ |
| By:_____ | By:_____ |
| Name:_____ | Name:_____ |
| Title:_____ | Title:_____ |
| Date signed: _____ | Date signed: _____ |

**APPENDIX D**

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

_____ (Name of Person or Legal Entity)

_____(ID Number)

The undersigned depositor ("**Depositor**" or "**Franchisee**") hereby authorizes Engineering for Kids International, LLC ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Franchisor's instructions.

| | | |
|---|---|---|
| _____ | _____ | |
| Depository | Branch | |
| _____ | _____ | _____ |
| City | State | Zip Code |
| _____ | _____ | |
| Bank Transit/ABA Number | Account Number | |

_____

This authorization is to remain in full and force and effect until sixty days after Franchisor has received written notification from Franchisee of its termination.

Depositor: _____

Signed By: _____

Printed Name: _____

Title: _____

Date: _____

## APPENDIX E

Learning Center Location Addendum

Engineering for Kids International, LLC ("**we**" or "**us**") and _____ _____("**you**") have this ____ day of _____, 202__ (the "**Effective Date**") entered into an Engineering For Kids Business Franchise Agreement ("**Franchise Agreement**") and desire to supplement its terms as set out below in this Site Selection Addendum (the "**Addendum**"). The parties hereto agree as follows:

## AGREEMENT

1. **Time to Locate Site**:

1.1 Within sixty days (60) days after the Effective Date (the "**Search Period**"), you must acquire or lease/sublease, at your expense, commercial real estate that is properly zoned for the use as an Engineering For Kids Business that you will operate under the Franchise Agreement (the "**Business**") at a site that we approve as described in this Addendum.

1.2 Any sites that you propose for must be within the Territory.

1.3 If you used your best efforts, but have not identified a suitable site that we approve by the end of the Search Period, we will have the right to extend the Search Period by up to sixty (60) days. If you fail to acquire or lease a site for the Business within the Search Period, you will be in default under the Franchise Agreement and this Addendum, and we will have the right to terminate the Franchise Agreement and this Addendum pursuant to the terms of Section 15.2 of the Franchise Agreement.

2. **Site Services and Review**:

2.1 We will furnish you with our standard site selection guidelines, including our minimum standards for an EFK Center Location.

2.2 We will give you the degree of site selection counseling and assistance that we think is necessary.

2.3 You must notify us of the proposed site and submit a site review report, including photographs, demographic information, and other information that we may require. We will have thirty (30) days after receipt of all required information and materials from you to approve or disapprove the proposed site as the location for your EFK Center Location. We may, but are not obligated to, conduct on site evaluation of any proposed sites, and we will not perform any on-site review until we receive a completed site approval form for such site. If we conduct any on site evaluation(s), you must reimburse us for our reasonable costs of travel, lodging, wages, and meals, but not less than $500. A site is not approved unless you have received our approval in writing.

3. **Lease Responsibilities**: If you will obtain the right to occupy the EFK Center Location under a lease, you must deliver a copy of the signed lease or sublease to us within fifteen (15) days of its execution and you may not execute or agree to any modification of the lease or sublease that would affect our rights without our prior written approval of the modification. Unless you obtain our prior written approval to the contrary, your lease (or rider to a lease) must include provisions that will:

3.1 Require the lessor to provide us with a copy of any written notice of deficiency under the lease sent to you, at the same time as notice is given to you (as the lessee under the lease), and which grants to us the right (but not obligation) to cure any deficiency by you under the lease within fifteen (15) business days after the expiration of the period in which you had to cure any such default should you fail to do so;

3.2 Recognize your right to display and use the Proprietary Marks in accordance with the specifications required by the Manual, subject only to the provisions of applicable law;

3.3 Require that the premises be used solely for the operation of an Engineering For Kids Business; and

3.4 State that any default under the lease will constitute a default under this Agreement, and any default under this Agreement will constitute a default under the lease.

4. **Authorized Center Location**: Upon our approval of a site under Section 3 of this Addendum, and after you secure the site pursuant to Section 5 of this Addendum, we will insert its address into Appendix A of the Franchise Agreement, and it will be the Approved Location for your EFK Center Location (the "**Authorized Center Location**"). You acknowledge and agree that, if we have recommended, approved or given you information regarding a site for the Authorized Center Location, that is not a representation or warranty of any kind, express or implied, of the suitability of the site for an Engineering For Kids Business or any other purpose. Our recommendation indicates only that we believe that the site meets our then acceptable criteria. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and changeable nature of these criteria and factors are beyond our control, and we are not responsible if a site and premises we recommend fail to meet your expectations. You acknowledge and agree that your acceptance of the obligation to develop the Business is based on your own independent investigation of the suitability of the site for the Business and that you are solely responsible for all due diligence and related costs to determine the suitability of a proposed site for the Franchised Business, including the costs related to issues that arise after the commencement of construction.

5. **Learning Center Location Development and Preparation**. You are responsible for developing, at your own expense, your Learning Center Location at the Authorized Center Location. Among other things, you agree to all of the following:

5.1 We will provide you with: (a) our general plans, specifications and layouts for an EFK Center Location, including requirements for dimensions, design, image, interior layout, décor, operating assets, and color scheme, that you must incorporate into your Learning Center Location, and (b) our specifications for equipment, furnishings, fixtures, and signage that you must incorporate into your EFK Center Location.

5.2 You will secure all financing required to develop and operate the Franchised Business (we will not provide you with any financing for Franchised Business development).

5.3 You will obtain all required zoning permits, all required building, utility, sign permits, and licenses, and any other required permits, licenses and certifications.

5.4 You will prepare any architectural and working drawing necessary to complete the development of your Learning Center Location at the Authorized Center Location which will incorporate our general plans and specifications. We must approve all plans before you begin construction and/or build-out.

5.5 You will purchase or lease, and install, all required fixtures, furniture, equipment (including computer, facsimile, and technology information system), furnishings, and signs as needed, including to comply with our requirements for the Franchised Business.

5.6 You must complete all construction and/or remodeling, furnishing, decorating, and equipping of the Learning Center Location in accordance with the approved plans, and in doing so, you will use a licensed and bonded contractor for any construction and remodeling.

5.7 You will be solely responsible for complying with all federal, state and local laws, codes and regulations, including, without limitation, the applicable provisions of the Americans with Disabilities Act regarding the construction, design and operation of the Learning Center Location. At any time during this Agreement, if you receive any complaint, claim, or other notice alleging a failure to comply with any such requirements, you must provide us with a copy of such notice within 5 days after receipt thereof.

6. **Entire Agreement**: This Addendum is an integral part of the Franchise Agreement, and the terms of this Addendum will be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined in this Addendum will have the same meaning as used in the Franchise Agreement. Except as modified or supplemented by this Addendum, you and we ratify and confirm the terms of the Franchise Agreement.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to duly execute and deliver this Addendum on the date first above written.

**Engineering for Kids International, LLC**

| | |
|---|---|
| Franchisor | Franchisee |
| By:_____ | By:_____ |
| Name:_____ | Name:_____ |
| Title:_____ | Title:_____ |
| Date signed: _____ | Date signed: _____ |

# EXHIBIT B

# LIST OF STATE ADMINISTRATORS

# LIST OF ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

| | |
|---|---|
| **CALIFORNIA**<br>Commissioner of Financial Protection and Innovation<br>Department of Financial Protection and Innovation<br>320 West Fourth Street, Suite 750<br>Los Angeles, California 90013-2344<br>(213) 576-7500 / Toll Free: (866) 275-2677<br>Email: ASK.DFPI@dfpi.ca.gov<br>Website: http://www.dfpi.ca.gov | **NEW YORK**<br>NYS Department of Law<br>Investor Protection Bureau<br>28 Liberty St. 21st Fl<br>New York, NY 10005<br>(212) 416-8222 |
| **HAWAII**<br>Commissioner of Securities<br>Department of Commerce & Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2722 | **NORTH DAKOTA**<br>North Dakota Insurance & Securities Department<br>600 East Boulevard Avenue, Dept. 401<br>Bismarck, North Dakota 58505-0510<br>(701) 328-2910 |
| **ILLINOIS**<br>Illinois Office of the Attorney General<br>Franchise Bureau<br>500 South Second Street<br>Springfield, Illinois 62701<br>(217) 782-4465 | **RHODE ISLAND**<br>Department of Business Regulation<br>Securities Division, Building 69, First Floor<br>John O. Pastore Center<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920<br>(401) 462-9527 |
| **INDIANA**<br>Secretary of State<br>Franchise Section<br>302 West Washington, Room E-111<br>Indianapolis, Indiana 46204<br>(317) 232-6681 | **SOUTH DAKOTA**<br>Division of Insurance<br>Securities Regulation<br>124 South Euclid Avenue, 2nd Floor<br>Pierre, South Dakota 57501<br>(605) 773-3563 |
| **MARYLAND**<br>Office of the Attorney General<br>Securities Division<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2020<br>(410) 576-6360 | **VIRGINIA**<br>State Corporation Commission<br>Division of Securities and Retail Franchising<br>1300 East Main Street, 9th Floor<br>Richmond, Virginia 23219<br>(804) 371-9051 |
| **MICHIGAN**<br>Michigan Attorney General's Office<br>Corporate Oversight Division, Franchise Section<br>525 West Ottawa Street<br>G. Mennen Williams Building, 5th Floor<br>Lansing, Michigan 48913<br>(517) 335-7567 | **WASHINGTON**<br>Department of Financial Institutions<br>Securities Division<br>P.O. Box 41200<br>Olympia, Washington 98504-1200<br>(360) 902-8760 |
| **MINNESOTA**<br>Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St. Paul, Minnesota 55101<br>(651) 539-1600 | **WISCONSIN**<br>Division of Securities<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53705<br>(608) 266-2139 |

# EXHIBIT C
# AGENTS FOR SERVICE OF PROCESS

# AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. 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 these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

| | |
|---|---|
| **CALIFORNIA**<br>Commissioner of Financial Protection and Innovation<br>Department of Financial Protection and Innovation<br>320 West Fourth Street, Suite 750<br>Los Angeles, California 90013-2344<br>(213) 576-7500 / Toll Free: (866) 275-2677<br>Email: ASK.DFPI@dfpi.ca.gov<br>Website: http://www.dfpi.ca.gov | **NEW YORK**<br>New York Secretary of State<br>One Commerce Plaza<br>99 Washington Avenue<br>Albany, NY 12231<br>(518) 473-2492 |
| **HAWAII**<br>Commissioner of Securities<br>Department of Commerce & Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2722 | **NORTH DAKOTA**<br>North Dakota Insurance Commissioner<br>North Dakota Insurance & Securities Department<br>600 East Boulevard Avenue, Dept. 401<br>Bismarck, North Dakota 58505-0510<br>(701) 328-2910 |
| **ILLINOIS**<br>Illinois Attorney General<br>500 South Second Street<br>Springfield, Illinois 62701<br>(217) 782-4465 | **RHODE ISLAND**<br>Director of Department of Business Regulation<br>Department of Business Regulation<br>Securities Division, Building 69, First Floor<br>John O. Pastore Center<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920<br>(401) 462-9527 |
| **INDIANA**<br>Secretary of State<br>Franchise Section<br>302 West Washington, Room E-111<br>Indianapolis, Indiana 46204<br>(317) 232-6681 | **SOUTH DAKOTA**<br>Division of Insurance<br>Director of the Securities Regulation<br>124 South Euclid Avenue, 2nd Floor<br>Pierre, South Dakota 57501<br>(605) 773-3563 |
| **MARYLAND**<br>Maryland Securities Commissioner<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2020<br>(410) 576-6360 | **VIRGINIA**<br>Clerk of the State Corporation Commission<br>1300 East Main Street, 1st Floor<br>Richmond, Virginia 23219<br>(804) 371-9733 |
| **MICHIGAN**<br>Michigan Attorney General's Office<br>Corporate Oversight Division, Franchise Section<br>525 West Ottawa Street<br>G. Mennen Williams Building, 5th Floor<br>Lansing, Michigan 48913<br>(517) 335-7567 | **WASHINGTON**<br>Director of Department of Financial Institutions<br>Securities Division – 3rd Floor<br>150 Israel Road, Southwest<br>Tumwater, Washington 98501<br>(360) 902-8760 |
| **MINNESOTA**<br>Commissioner of Commerce<br>Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St. Paul, Minnesota 55101<br>(651) 539-1600 | **WISCONSIN**<br>Division of Securities<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53705<br>(608) 266-2139 |

# EXHIBIT D-1

# LIST OF FRANCHISEES

## LIST OF ENGINEERING FOR KIDS FRANCHISEES

*As of December 31, 2025*

| NAME OF FRANCHISE | STATE | PHONE NUMBER | CONTACT ADDRESS |
|---|---|---|---|
| Ronald Hoagland, Lan Truong | Arizona | 480-779-8184 | 14608 S. 13th Pl.<br>Phoenix, AZ 85048 |
| Tayndra Hunter; Mack Hunter | California | 661-401-7330 | 6405 Manchester Ln.<br>Bakersfield, CA 93309 |
| L. Mala Utamsing (2 franchises) | California | 510-870-2352 | 3284 Woodside Ter.<br>Fremont, CA 94539 |
| Lawrence Lee | California | 415-994-6587 | Center location:<br>633 Taraval Street, #101<br>San Francisco, CA 94116 |
| Kenya Walker | Georgia | (404)882-7369 | 707 Park Ave, NE, Apt. 1330,<br>Atlanta, GA 30342 |
| Jamiu Sokoya | Illinois | 773-716-5600 | 18016 Lawndale Ave<br>Homewood IL 60430 |
| Herman Versteeg | Massachusetts | 617 580 1267 | 165 Elm Street<br>Framingham, MA 01701 |
| Maria Mojica; Armando Mojica | Minnesota | 763-473-0362 | 16625 53rd Ave. N<br>Plymouth, MN 55446 |
| Lisa Hicks | New York | 716-408-0493 | One Seneca Tower<br>Suite 2850 C<br>Buffalo, NY 14203 |
| Steven Chau | New York | 347-971-0311 | 45 Pitt St.<br>New York, NY 10002 |
| Hugo Leonardo Silva | Nevada | 702-660-9036 | 3125 N. Buffalo Drive, #2143<br>Las Vegas, NV 89128 |
| Jyoti Siddanagouda | North Carolina | 919-636-9949 | 524 Sandy Whispers Pl.<br>Cary, NC 27519 |
| Xizhen Palmer, Bo Wang, Shengnan Lai | Oregon | 503-330-8781 | 11507 SW Pacific Highway,<br>Tigard OR 97223 |
| Benjamin and Maud Otchere | Tennessee | 615-435-9321 | 530 Antebellum Ct<br>Franklin TN 37064 |
| Seema Sangal; Anuj Sangal (for 2 franchises in Texas) | Texas | 214-620-4640 | 4436 English Oak Dr.<br>Plano, TX 75024 |
| Abigail & Peter McDonald | Texas | 936 203 7624 | 27316 Spectrum Way<br>Conroe, TX 77385 |
| Alifya Faizullah | Texas | 346 733 6719 | 3352 Highway 6<br>Sugar Land, TX 77478 |
| Amandeep Arora | Texas | 610 780 6443 | 17121 West Rd, Suite 200,<br>Houston, TX, 77095 |
| Yasir Wasi | Virginia | 952-221-3179 | 20064 Valhalla Sq.<br>Ashburn, VA 20147 |
| Kimberly Crawford | Wisconsin | 262 751 7374 | 1239 WI-175<br>Hubertus, WI 53033 |

**Franchise Agreements Signed, Franchised Business Not Open:** None

# EXHIBIT D-2

# LIST OF FORMER FRANCHISEES

## LIST OF FORMER FRANCHISEES

Listed below are the names, addresses and telephone numbers of Franchisees who had a Franchise Agreement terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our most recently completed fiscal year (which ended December 31, 2025), or who have not communicated with us within 10 weeks of the date of this disclosure document. If you buy the franchise offered in this disclosure document, your contact information may be disclosed to other buyers when you leave the franchise system.

**The following franchisees left the system in 2025**

| Name | State | Phone Number | Address |
|---|---|---|---|
| Natalie Coleman | Alabama | 205-358-0656 | 3413 Ivy Chase Circle<br>Hoover, AL 35226 |

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

# EXHIBIT E
# FINANCIAL STATEMENTS

# ENGINEERING FOR KIDS INTERNATIONAL, LLC

## REPORT ON FINANCIAL STATEMENTS

## YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

Maner Costerisan

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Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #210,
Grand Rapids, MI 49546

☎ 517.323.7500

# INDEPENDENT AUDITOR'S REPORT

To the Member of
Engineering for Kids International, LLC

## Opinion

We have audited the accompanying financial statements of Engineering for Kids International, LLC which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Engineering for Kids International, LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Engineering for Kids International, LLC 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.

## Prior Period Financial Statements

The financial statements of Engineering for Kids International, LLC as of December 31, 2023 were audited by other auditors whose reports dated May 17, 2024 expressed an unmodified opinion on those statements.

## Responsibilities of Management for the Financial Statements

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

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 Engineering for Kids International, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Engineering for Kids International, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Engineering for Kids International, LLC's ability to continue as a going concern for a reasonable period of time.

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

Maner Costerisan PC

Lansing, Michigan
March 31, 2026

**ENGINEERING FOR KIDS INTERNATIONAL, LLC**
**BALANCE SHEETS**
**DECEMBER 31, 2025, 2024 AND 2023**

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | $ 202,536 | $ 21,735 | $ 117,655 |
| Accounts receivable, net of allowance for credit losses | 34,792 | 58,661 | 45,523 |
| Due from related party | - | 14,968 | - |
| Prepaid expenses | 569 | 2,575 | 6,200 |
| Total current assets | 237,897 | 97,939 | 169,378 |
| Intangible assets, less accumulated amortization | 29,800 | 40,417 | 49,046 |
| TOTAL ASSETS | $ 267,697 | $ 138,356 | $ 218,424 |
| LIABILITIES AND MEMBER'S EQUITY | | | |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | $ - | $ - | $ 320 |
| Due to related party | 164,822 | - | 115,040 |
| Accrued liabilities | 13,572 | 25,744 | 27,671 |
| TOTAL LIABILITIES | 178,394 | 25,744 | 143,031 |
| MEMBER'S EQUITY | | | |
| Member capital | 100 | 100 | 100 |
| Retained earnings | 89,203 | 112,512 | 75,293 |
| TOTAL MEMBER'S EQUITY | 89,303 | 112,612 | 75,393 |
| TOTAL LIABILITIES AND MEMBER'S EQUITY | $ 267,697 | $ 138,356 | $ 218,424 |

See notes to the financial statements.

**ENGINEERING FOR KIDS INTERNATIONAL, LLC**
**STATEMENTS OF OPERATIONS**
**YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| REVENUE | | | |
| Royalty fees | $ 219,164 | $ 235,010 | $ 264,890 |
| Brand fees | 55,325 | 44,888 | 52,752 |
| Technology fees | 43,201 | 38,300 | 37,500 |
| Franchise fees | 7,000 | 90,250 | 34,000 |
| Late fees | 2,250 | 10,114 | 2,875 |
| TOTAL REVENUE | 326,940 | 418,562 | 392,017 |
| OPERATING EXPENSES | | | |
| Royalty and overhead | 64,100 | 83,700 | 78,400 |
| Salaries and wages | 64,391 | 87,156 | 69,961 |
| Marketing and advertising | 56,356 | 15,397 | 53,981 |
| Franchisor marketing expense | 47,716 | 51,070 | 46,511 |
| Office | 27,992 | 44,342 | 32,211 |
| Professional and legal fees | 19,957 | 73,015 | 49,872 |
| Travel | 15,474 | 9,801 | 12,349 |
| Credit loss expense | 40,270 | 1,740 | 6,953 |
| Bank charges | 3,196 | 4,685 | 2,405 |
| Amortization | 10,617 | 10,437 | - |
| TOTAL OPERATING EXPENSES | 350,069 | 381,343 | 352,643 |
| Income (loss) from operations | (23,129) | 37,219 | 39,374 |
| OTHER INCOME | | | |
| Foreign exchange gain (loss) | (180) | - | (4,441) |
| NET INCOME (LOSS) | $ (23,309) | $ 37,219 | $ 34,933 |

See notes to the financial statements.

**ENGINEERING FOR KIDS INTERNATIONAL, LLC**
**STATEMENTS OF MEMBER'S EQUITY**
**YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

| | Member Capital | Retained Earnings | Total |
|---|---|---|---|
| BALANCE, January 1, 2023 | $ 100 | $ 40,360 | $ 40,460 |
| Net income | - | 34,933 | 34,933 |
| BALANCE, December 31, 2023 | 100 | 75,293 | 75,393 |
| Net income | - | 37,219 | 37,219 |
| BALANCE, December 31, 2024 | 100 | 112,512 | 112,612 |
| Net loss | - | (23,309) | (23,309) |
| BALANCE, December 31, 2025 | $ 100 | $ 89,203 | $ 89,303 |

See notes to the financial statements.

**ENGINEERING FOR KIDS INTERNATIONAL, LLC**
**STATEMENTS OF CASH FLOWS**
**YEARS ENDED DECEMBER 31, 2025 2024, AND 2023**

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| Cash flows from operating activities | | | |
| Net income (loss) | $ (23,309) | $ 37,219 | $ 34,933 |
| Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities | | | |
| Amortization | 10,617 | 10,437 | - |
| Changes in assets and liabilities | | | |
| Accounts receivable | 23,869 | (13,138) | 16,709 |
| Prepaid expenses | 2,006 | 3,625 | 111 |
| Accounts payable | - | (320) | (6,318) |
| Due to/from related party | 179,790 | (130,008) | 63,874 |
| Accrued liabilities | (12,172) | (1,927) | 6,244 |
| Total adjustments | 204,110 | (131,331) | 80,620 |
| Net cash provided (used) by operating activities | 180,801 | (94,112) | 115,553 |
| Cash flows from investing activities | | | |
| Investment in intangible assets | - | (1,808) | (28,934) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 180,801 | (95,920) | 86,619 |
| CASH AND CASH EQUIVALENTS, beginning of year | 21,735 | 117,655 | 31,036 |
| CASH AND CASH EQUIVALENTS, end of year | $ 202,536 | $ 21,735 | $ 117,655 |

See notes to the financial statements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Engineering for Kids International, LLC ("The Company") are prepared in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Credit Losses

The Company is exposed to credit losses primarily through sales of services. Accounts receivable represent the Company's unconditional right to consideration in exchange for services that the Company has provided to the customer based on contracted prices. Accounts receivable are recorded when invoices are issued and are presented on the balance sheet at the amount management expects to collect. Management provides for probable uncollectible amounts through credit losses expense and an adjustment to the allowance for credit losses. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions, and a review of the current status of customers' accounts receivable. The beginning balance of accounts receivable was $62,234 at January 1, 2023. Due to the short-term nature of such receivables, the estimated accounts receivable that may not be collected is based on aging of the accounts receivable balances.

The Company evaluates contract terms and conditions, economic and industry risk, customer credit worthiness, and may require prepayment to mitigate risk of loss. Specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company monitors changes to the receivables balance on a timely basis, and balances are written off as they are determined to be uncollectible after all collection efforts have been exhausted. See Note 2 regarding concentrations of credit risk.

Management has determined the value of an allowance for credit losses is as follows:

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Balance, January 1 | $ 21,690 | $ 19,950 | $ 12,997 |
| Provision charges | 40,270 | 1,740 | 6,953 |
| Balance, December 31 | $ 61,960 | $ 21,690 | $ 19,950 |

Intangible Assets

Purchased intangible assets with a finite life are recorded at cost and amortized using the straight-line basis over their estimated useful life of the asset. Intangible assets with a finite life are tested for impairment when events or circumstances indicate that their carrying amount may not be recoverable. Research costs are expensed when incurred.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue from contracts with customers is generated from royalties and brand fees paid by franchisees which are recognized at a point in time (monthly) based on a percentage of total sales as outlined in the franchise agreement. Website and technology fees are recognized at a point in time (monthly) based on a fixed rate defined by the Company. The Company also receives franchise fees which are recognized at a point in time upon completion of all significant initial services and signing of the franchise agreement. Performance obligations identified in the contracts are satisfied when the sale is generated by the franchisee, which is the point when control is transferred to the customers, when the significant risk and rewards of ownership have been completed, and there are no significant obligations remaining. The amount of revenue recognized reflects consideration the Company receives or expects to be entitled to in exchange for the goods and services provided. Revenue is recorded net of expected discounts, rebates, and allowances.

Revenues are analyzed to determine whether the Company is the principal (i.e. reports revenues on gross basis) or agent (i.e. reports revenue on a net basis) in the contract. Principal or agent designations depend primarily on the control the entity has over the product or service before control is transferred to the customer. The indicators of which party exercises control include primary responsibility over performance, inventory risk before the good or service is transferred, and the discretion in establishing the price. The Company has determined they are the agent in their transactions.

Income Taxes

The Company is a single-member LLC and will be treated as a disregarded entity for both federal and state income tax purposes. Accordingly, the current period income will be included on the income tax return of the member. Additionally, any adjustments determined pursuant to IRS examinations would similarly be reflected on the income tax returns of the stockholders. Therefore, no provision or liability for either current federal income taxes or the effects of IRS examinations on prior years' federal income taxes have been included in the financial statements.

Foreign Currency Translation

Foreign currency accounts are translated into U.S. dollars as necessary. At the transaction date, each asset, liability, revenue, and expense is translated into U.S. dollars by the use of the exchange rate at that date. At the year-end date, monetary assets and liabilities are translated into U.S. dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

Reclassification of Prior Period Presentation

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

## NOTE 2 - NATURE OF THE ORGANIZATION, RISKS, AND UNCERTAINTIES

Engineering for Kids International, LLC (the Company), a Delaware limited liability company, was organized on October 12, 2020. The term of the Company is perpetual unless dissolved and terminated in accordance with the Company's operating agreement. The Company is a Franchisor and is engaged in the business of providing their Franchisees the ability to offer the Engineering for Kids curriculum and programming.

The Company is exposed to credit losses in the event of nonperformance by the counterparties to the Company's financial instruments. Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash deposits and accounts receivable. The Company's policy requires cash deposits to be placed with high-quality financial institutions that are FDIC or NCUA insured and to limit the amount of credit risk from any one issuer. The Company regularly evaluates the credit standing of its counterparty financial institutions. Although such cash balances may exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

In addition, the Company recognizes an allowance for credit losses at the time a receivable is recorded based on management's estimate of expected credit losses, historical write-off experience, and current account knowledge, and adjusts this estimate over the life of the receivable as needed. The Company evaluates the aggregation and risk characteristics of a receivable pool and develops loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon the Company is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

The Company performs ongoing credit evaluations of its customers' financial condition whenever deemed necessary. The Company evaluates and maintains, if necessary, an allowance for credit losses based on the expected collectability of all accounts receivable, which takes into consideration an analysis of historical credit losses, specific customer creditworthiness and current economic trends. Management believes that the Company's concentration of credit risk is limited because of its credit quality of the customer base and customer geographic diversification.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to valuation allowances for receivables and unsettled transactions and events as of the date of the financial statements. Actual results may differ from estimated amounts.

In preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination by various taxing authorities for a period of three to four years.

The Company has evaluated events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through March 31, 2026, which is the date the financial statements were available for issuance.

The Company is obligated in accordance with the terms of each franchisee's respective franchise agreement, to provide the following supervision assistance and services: training and pre-opening assistance, operations manual, continuing assistance, advertising and promotion supplies and pricing.

## NOTE 2 - NATURE OF THE ORGANIZATION, RISKS, AND UNCERTAINTIES (continued)

Franchisee information at December 31 is as follows:

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Number of franchisees sold and opened during the period: | 0 | 2 | 1 |
| Number of franchised outlets sold, but not yet opened during the period: | 0 | 1 | 0 |
| Number of franchised outlets in operation during the period: | 22 | 23 | 23 |
| Number of franchised outlets closed during the period: | 1 | 2 | 4 |

## NOTE 3 - INTANGIBLE ASSETS

Intangible assets are summarized by major classification at December 31 as follows:

| | Useful Life - Years | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| Website | 5 | $ 53,089 | $ 53,089 | $ 51,281 |
| Less accumulated amortization | | (23,289) | (12,672) | (2,235) |
| Intangible assets, net | | $ 29,800 | $ 40,417 | $ 49,046 |

## NOTE 4 - RELATED PARTY TRANSACTIONS

The franchise rights are held by LaunchLife USA, Inc., their parent company. The Company's rights to acquire, administer and collect fees from its franchisees is contingent on LaunchLife USA, Inc. holding the franchise rights. The Company pays a royalty fee to LaunchLife USA, Inc. for the use of the franchise rights. During the years ended December 31, 2025, 2024, and 2023 royalty fees were $64,100, $83,700, and $78,400, respectively.

During the course of its operations, the Company has transactions with its parent company. Amounts due from the parent company were $14,968 at December 31, 2024, respectively. Amounts due to its parent company were $164,822 and $115,040 at December 31, 2025 and 2023, respectively. No interest was charged on these transactions.

**UNAUDITED FINANCIAL STATEMENTS**

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

# ENGINEERING FOR KIDS INTERNATIONAL, LLC
## Balance Sheet
As of April 30, 2026

| | April 30, 2026 |
|---|---|
| Assets | |
| Current assets | |
| Cash and cash equivalents | $ 308,938 |
| Accounts receivable, net of allowance for credit losses | 39,560 |
| Prepaid expenses | 334 |
| Total current assets | 348,832 |
| Intangible assets, less accumulated amortization | 26,261 |
| TOTAL ASSETS | $ 375,093 |
| LIABILITIES AND MEMBER'S EQUITY | |
| LIABILITIES | |
| Current liabilities | |
| Accrued liabilities | $ 22,335 |
| Due to related party | 212,588 |
| TOTAL LIABILITIES | 234,923 |
| MEMBER'S EQUITY | |
| Member capital | 100 |
| Retained earnings | 140,070 |
| TOTAL MEMBER'S EQUITY | 140,170 |
| TOTAL LIABILITIES AND MEMBER'S EQUITY | $ 375,093 |

# ENGINEERING FOR KIDS INTERNATIONAL, LLC

## Profit and Loss

January 1-April 30, 2026

| | January 1-April 30, 2026 |
|---|---|
| REVENUE | |
| Royalty fees | $ 66,267 |
| Technology fees | 13,699 |
| Brand fees | 11,061 |
| Late fees | 550 |
| TOTAL REVENUE | 91,577 |
| OPERATING EXPENSES | |
| Salaries and wages | 19,750 |
| Professional and legal fees | 7,035 |
| Marketing and advertising | 6,824 |
| Amortization | 3,539 |
| Travel | 2,025 |
| Office | 1,293 |
| Bank charges | 244 |
| TOTAL OPERATING EXPENSES | 40,710 |
| NET INCOME | $ 50,867 |

**EXHIBIT F**
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Total number of pages: 26

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# EXHIBIT G

## STATE–SPECIFIC DISCLOSURES

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES**
**REQUIRED BY THE STATE OF CALIFORNIA**

**1.** SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

SEE THE COVER PAGE OF THE DISCLOSURE DOCUMENT FOR OUR URL ADDRESS. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

**2.** **Item 3, Additional Disclosure**. The following statement is added to Item 3:

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

**3.** **Item 6, Additional Disclosure.** The following statement is added to Item 6:

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

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

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of the Franchise. If the franchise agreements contain a provision that is inconsistent with the law, the law will control.

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.).*

The franchise agreements contain a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The franchise agreements provide for the application of the laws of Delaware. This provision may not be enforceable under California law.

The franchise agreements contain a choice of forum provision. This provision may not be enforceable under California law.

You must sign a general release when you execute the franchise agreement and if you transfer your franchise or development rights (if applicable) or execute a renewal franchise

agreement. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

**5.** **Item 22, Additional Disclosure**. The following statement is added to Item 22:

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

## ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF MICHIGAN

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

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

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

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

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

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

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

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

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

(ii) the fact that the proposed transferee is a competitor of the Franchisor or subFranchisor.

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

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

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

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

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

Any questions regarding these Additional Disclosures shall be directed to the Department of the Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 335-7567.

## ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF NEW YORK

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

   **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW**

**YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

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

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

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

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

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

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

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this

proviso intends that the non- waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

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

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

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

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

# EXHIBIT H

## STATE-SPECIFIC AGREEMENT AMENDMENTS

**ADDENDUM TO THE ENGINEERING FOR KIDS FRANCHISE AGREEMENT**
**REQUIRED FOR NEW YORK FRANCHISEES**

This Addendum to the Engineering for Kids Franchise Agreement dated _____ ("**Franchise Agreement**") is entered into by and between **Engineering for Kids International, LLC,** a Delaware limited liability company (**"we"**, **"us"**, **"our"** or **"Franchisor"**) and _____, a _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (**"you", "your"** or **"Franchisee"**) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

**1.** The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of New York; **(B)** you are a resident of the State of New York; and/or **(C)** the Franchised Business will be located in the State of New York.

**2.** Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

**3.** The following sentence is added to the end of Sections 2.2.6, 14.3.4, 27.5:

Any provision in this Agreement requiring you to sign a general release of claims against us does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

**4.** The following sentence is added to Section 13:

We will not assign our rights under this Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under this Agreement.

**5.** The following sentence is added to the end of Sections 17.7, 17.8, 25.5:

Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

**6.** The following sentence is added to the end of Section 24:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

**8.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

**9.** Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**10.** This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including an electronic signature platform or the

transmission of a scanned PDF document) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

| | |
|---|---|
| **Engineering for Kids International, LLC** | _____, Franchisee |
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |
| Effective Date: _____ | Date signed: _____ |

# EXHIBIT I

## GENERAL RELEASE

## GENERAL RELEASE LANGUAGE

The following is our current general release language that we expect to include in a release that a franchisee, developer, and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

Franchisee, its officers and directors, its owners, and their respective agents, heirs, administrators, successors, and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Engineering for Kids International, LLC, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the "**Franchisor Group**"), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group and/or its owners had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of an Engineering For Kids Business. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise Agreement or the Engineering For Kids Business. The Franchisee Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein.

[FRANCHISEE]

_____ By _____

Date

Name _____

Title _____

## EXHIBIT J

## STATE EFFECTIVE DATES PAGE

## State Effective Dates

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

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

| STATES | EFFECTIVE DATE |
|---|---|
| California | Pending |
| Michigan | Pending |
| New York | Pending |
| Wisconsin | Pending |

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

# EXHIBIT K

## RECEIPTS

## ITEM 23 • RECEIPTS

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 Engineering for Kids International, LLC offers you a franchise, it must provide this Disclosure Document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale; or (b) Under New York law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (c) Under Iowa law, if applicable, at the earlier of the first personal meeting or 14 days before you sign a binding agreement with us, or pay any consideration to us that relates to the franchise relationship, or (d) Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Engineering for Kids International, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit B.

The franchisor is Engineering for Kids International, LLC at 100 York Boulevard, Suite 400, Richmond Hill, ON L4B 1J8, 540-940-2910.

Issuance date: May 22, 2026

The franchise seller is: _____

_____

Engineering for Kids International, LLC authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document dated May 22, 2026, and with effective dates of state registration as listed on the State Cover Page. This Disclosure Document included the following exhibits:

| | |
|---|---|
| A Franchise Agreement and Exhibits | F Table of Contents for Manual |
| B List of State Administrators | G State–specific Disclosures |
| C Agents for Service of Process | H State–specific Agreement Amendments |
| D List of Current and Former Franchisees | I General Release Language |
| E Financial Statements | J State Effective Dates |
| | K Receipts (2 copies) |

_____ _____

Date Received Prospective Franchisee

Delivered By: _____

_____ Name (Please print)

_____

**TO BE RETURNED TO US** _____

Address

## ITEM 23 • RECEIPTS

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 Engineering for Kids International, LLC offers you a franchise, it must provide this Disclosure Document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale; or (b) Under New York law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (c) Under Iowa law, if applicable, at the earlier of the first personal meeting or 14 days before you sign a binding agreement with us, or pay any consideration to us that relates to the franchise relationship, or (d) Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Engineering for Kids International, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit B.

The franchisor is Engineering for Kids International, LLC, 100 York Boulevard, Suite 400, Richmond Hill, ON L4B 1J8, 540-940-2910.

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| D List of Current and Former Franchisees | I General Release Language |
| E Financial Statements | J State Effective Dates |
| | K Receipts (2 copies) |

_____ _____

Date Received Prospective Franchisee

Delivered By: _____

_____ Name (Please print)

_____

_____ Address

**KEEP THIS COPY FOR YOUR RECORDS**