FRANCHISE DISCLOSURE DOCUMENT

FOR PROSPECTIVE FRANCHISEES
LEARNING EXPRESS, INC.
a Massachusetts Corporation
29 Buena Vista Street
Devens, Massachusetts 01434-5026
(978) 889-1000
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As a Learning Express franchisee you will operate a single retail toy and children's gift business (the "Local Store Franchise"). The estimated total investment necessary to begin the operation of a Local Store Franchise Business is $181,794.00 to $318,594.00 including the initial franchise fee of $35,000.00. The estimated total investment necessary to begin the operation of a Conversion Store is $25,825.00 to $84,294.00 including the initial franchise fee of $15,000.00. This is the total sum of all initial fees and payments for services or goods received from the franchisor and its affiliates before the business opens.

This Disclosure Document summarizes 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 the 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 Mike Derse, Director of Franchise Development at 29 Buena Vista Street, Devens, Massachusetts 01434-5026, Telephone (978) 889-1000 x 1025.

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

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

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

Issuance date: April 1, 2020

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
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 G 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 Learning Express business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Learning Express franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **OUT-OF-STATE DISPUTE RESOLUTION.** THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR BY MEDIATION, ARBITRATION AND/OR LITIGATION ONLY IN MASSACHUSETTS. OUT-OF-STATE MEDIATION, ARBITRATION, OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE, OR LITIGATE WITH THE FRANCHISOR IN MASSACHUSETTS THAN IN YOUR OWN STATE.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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

To simplify the language in this Disclosure Document "Learning Express", "We", "Our" or the "Franchisor" means Learning Express, Inc. "You" means the person acquiring the Local Store Franchise. If You are a business entity, "You" also means Your owners.

The Franchisor, Its Parent and Predecessors

We were incorporated in Massachusetts on October 28, 1987, and maintain a principal business address at 29 Buena Vista Street, Devens, Massachusetts 01434-5026. We conduct business under Our corporate name and the trade names "Learning Express", "Learning Express Toys", and "Learning Express Toys & Gifts". We have no parent or predecessors. We ran retail stores of the type being offered in this Disclosure Document from 1987 to 1993. We do not currently operate any Learning Express retail toy stores. Our agents for service of process are disclosed in Exhibit A to this Disclosure Document.

The Franchisor's Business

We have offered Local Store Franchises for sale since 1990. We do not operate any Local Store Franchises at this time. We have not offered franchises in any other line of business. We currently do not engage in any other business activities.

Our Affiliates

Our Affiliate, LE Toys of Bedford MA, Inc. was formed in Massachusetts on February 27, 2015 for the purpose of opening and operating a Learning Express toy store in Bedford, Massachusetts. It also operates a Satellite Learning Express toy store in Burlington, MA, which opened in October, 2018. LE Toys of Bedford MA, Inc.'s principal business address is 29 Buena Vista Street, Devens, Massachusetts 01434-5026.

Our Affiliate, LE Toys Dot Com, Inc. was formed in Massachusetts on January 13, 2015 for the purpose of providing support services for the Franchisees' E-commerce operation. LE Toys Dot Com, Inc. maintains a principal business address at 29 Buena Vista Street, Devens, Massachusetts 01434-5026.

Our Affiliates have never offered franchises of the type being offered in this Disclosure Document or in any other line of business.

The Local Store Franchise

We franchise the right to operate a retail store (the "Store"), featuring toys, books, games, personalized gifts, children's accessories and other related items under a Local Store Franchise Agreement (the "Franchise Agreement"), a copy of which is attached to this Disclosure Document as Exhibit J. Learning Express stores offer in-store activities and events, product demonstrations and customer-centric services such as a birthday gift registry, complimentary gift-wrapping, free personalization, VIP Programs and Fund Raising programs.

We locate Our stores in malls, lifestyle centers, strip plazas and town centers, and they range in size from 815 sq. ft. to 4,500 sq. ft. Our average store size is approximately 2,294 sq. ft. in retail space and is usually located in high-traffic areas within well-established communities. The typical shoppers are parents, grandparents or other family members of households with children ranging in age from newborn to young adult. The retail toy business is year round, with an emphasis on birthday related sales, seasonal events and November and December holiday sales.

Learning Express has developed (and continues to modify) a unique system for the operation of Learning Express Toy Stores ("System"). The distinguishing characteristics of the System include, Our interior

design, special décor and graphic design elements, layout, fixtures, color schemes, display units, signs, equipment, and a unique inventory mix; procedures for operations; computer software, websites, E-commerce platforms; quality and uniformity of services and products offered; local, regional and national events; procedures for management training and ongoing assistance; advertising, social media and promotional programs; and business formats, methods, procedures, designs, layouts, standards, and specifications, which We may change, improve and further develop.

We identify the System by means of the Learning Express name and mark and certain other names, marks, logos insignias, slogans, emblems, symbols, and designs (collectively, “Marks”). Every detail of the System is important to You, Us and Our other franchisees. You must develop, maintain and operate Your Learning Express Business at the high and uniform standards of quality, operations and service established by Us for the System (“System Standards”). Our System Standards are contained within Our confidential operations manual (“Manual”). As long as You are in compliance with Your Franchise Agreement, We will provide You access to the Manual on Our Intranet site for the term of Your Franchise Agreement.

Under certain circumstances, We may allow a Local Store Franchisee to operate a separate retail outlet (a “Satellite Location”). You do not have the right to operate a Satellite Location without Our prior written consent, which We may withhold at Our sole discretion.

We offer a Conversion Program that may allow a qualified existing independent retail store ("Conversion Store") to become a Learning Express Local Store Franchise.

Regional Franchise Owner

Beginning in 1995, We established a network of service providers to the Local Store Franchisees. The Regional Franchise Owner will be Our designee, responsible for developing new local store franchises, making proper disclosures under state and federal franchise laws, assisting in site selection and lease negotiations, assisting in pre-opening operations and training, and furnishing on-going support. The backgrounds of Our Regional Franchise Owners are set out in Exhibit B to this Disclosure Document. In most areas of the country We are responsible for the obligations described herein.

Regulation

As a retailer of children’s products, You must ensure that You comply with federal and state laws that apply to the sale of children’s products. You will also be required to comply with all local, state and federal laws and regulations that apply to businesses generally. We recommend that You consult with Your attorney as to Your obligations.

Competition

Your competitors will include: local, regional and national retailers such as toy, hobby, gift stores and E-commerce sites. The market for the type of specialty toy retail store being offered in this Disclosure Document is well-established and developed. However, at times We develop proprietary products with Our vendors, where, for a period of three to twelve months, these products are exclusive to Learning Express.

ITEM 2: BUSINESS EXPERIENCE

Sharon DiMinico
Founder, Chief Executive Officer, Treasurer and Director

Ms. DiMinico has been actively involved in the conceptualization and development of the Learning Express System and has been our Chief Executive Officer since 1987 to the present date. From February 27, 2015

to present Ms. DiMinico serves as a Director for LE Toys of Bedford MA, Inc. From November 6, 2014 to present Ms. DiMinico serves as Director for Learning Express Play, Inc. From January 13, 2015 to present Ms. DiMinico serves as a Director of LE Toys Dot Com, Inc.

Kathy Troknya
President and Chief Operating Officer

Ms. Troknya joined Learning Express as the Director of Franchise Operations in 1990, was promoted to Vice President in 1998, Senior Vice President in April 2000, Chief Operating Officer in January, 2010 and President in November, 2011. Ms. Troknya oversees all franchise operations. From February 27, 2015 to present Ms. Troknya serves as Secretary for LE Toys of Bedford MA, Inc. Ms. Troknya graduated from the International Franchise Association's Certified Franchise Executive (CFE) program in 2011.

Lauren Derse
Director of Marketing, Secretary/Clerk and Director

Ms. Derse joined Learning Express in June, 2012 in a leadership development rotation. In January, 2013 Ms. Derse was promoted to Director of Marketing. In February 2013, Ms. Derse was elected to the Learning Express Board of Directors. From November 6, 2014 to present Ms. Derse serves as Secretary for Learning Express Play, Inc. From January 13, 2015 to present Ms. Derse serves as President of LE Toys Dot Com, Inc. From February 27, 2015 to present Ms. Derse serves as Director and President for LE Toys of Bedford MA, Inc.

William A. Doyno
Vice President, Information Technology

Mr. Doyno joined Learning Express as Director of Information Technology in October 1998 and was promoted to Vice President, Information Technology in April 2000.

Lisa Gray Visco
Vice President, Merchandising

Ms. Visco joined Learning Express as General Merchandise Manager in January 1999 and was promoted to Vice President, Merchandising in April 2000.

Linda Peebles
Vice President, Training

Ms. Peebles joined Learning Express in March 2006 as Regional Support Manager and Training Program Coordinator. In January 2010 Ms. Peebles was promoted to Vice President, Training.

Kim Schneiderbauer
Vice President, Administration and Corporate Events

Ms. Schneiderbauer joined Learning Express in 1999 as Director, New Owner Training. In 2006, Ms. Schneiderbauer was promoted to Director, Administration and Corporate Events. In January, 2018 Ms. Schneiderbauer was promoted to Vice President, Administration and Corporate Events.

Mike Derse
Director, Business Development

Mr. Derse joined Learning Express in January 2012 in a leadership development rotation. In January, 2013 Mr. Derse was promoted to Director, Business Development. From November 6, 2014 to present Mr. Derse

serves as President and Director for Learning Express Play, Inc. From February 27, 2015 to present Mr. Derse serves as Treasurer of LE Toys of Bedford MA, Inc.

Bruce Schneiderbauer
Development Manager

Mr. Schneiderbauer joined Learning Express in May 2016 as Development Manager. From November, 2015 to May, 2016 Mr. Schneiderbauer was a Branch Manager for Trillium Staffing in Lawrence, MA. From September, 2014 to June, 2015 Mr. Schneiderbauer was Regional Maintenance and Safety Manager for Roadrunner Transportation.

ITEM 3: LITIGATION

No litigation information 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

The initial franchise fee which You must pay to Learning Express under the Franchise Agreement is $35,000.00. The Franchise Fee is payment, in part, for expenses incurred by Us in furnishing assistance and services to You and for costs incurred by Us, including sales and marketing expenses, training, legal, accounting and other professional fees.

You will pay $5,000.00 (the "Reservation Fee"), sign Our Reservation Agreement and provide Us a preliminary Funding Plan to begin the process of selecting a site. A copy of the Reservation Agreement appears as Exhibit C to this Disclosure Document. Upon Our receipt of the signed Reservation Agreement, Reservation Fee, and preliminary Funding Plan, We or Our designee will assist You with local evaluation, site selection and lease negotiations. A copy of the Funding Plan appears as Exhibit D to this Disclosure Document). It is Your sole responsibility, however, to secure the premises for Your Local Store Franchise. You have 180 days from the date We receive your Reservation Agreement to sign a lease. If a lease is not signed by the end of that 180 day period, We may extend, at Our sole option, the termination date of the Reservation Agreement. If You cannot locate a suitable site for Your Local Store Franchise, We will refund Your Reservation Fee in full. The Reservation Agreement will terminate, and You will have no further rights to become a Local Store Franchisee.

Upon signing the Local Store Franchise Agreement, the $30,000.00 balance of the initial franchise fee will be due in a lump sum, along with Your final Funding Plan and documentation verifying source of funds. You will start receiving internal communications and have access to the Learning Express Intranet site, which contains the support and training materials necessary for operating Your Learning Express Local Store Franchise, including the Grand Opening Manual. You will attend the New Store Owner Training Program at the Home Office in Devens, Massachusetts after signing Your Franchise Agreement. Your Local Store Franchise Agreement for the Local Store Franchise must be signed prior to the commencement of your New Store Owner Training. Once You have paid the initial franchise fee in full, it is not refundable for any reason. This fee is uniform for all franchisees acquiring their first franchise under this Disclosure

Document with the exception of a Conversion Store participating in the Conversion Program, in which the initial franchise fee for a Conversion Store is $15,000.00. The full sum is due upon signing the Local Store Franchise Agreement. The Reservation Fee and Reservation Agreement do not apply to the Conversion Program.

You will pay a $4,950.00 corporate license access fee for the POS software, based on standard 3 user system.

If You purchase additional Local Store Franchises, then the Initial Franchise Fee is $15,000.00 for each additional Local Store Franchise. Additional Local Store Franchises require the submission of Our Notice of Intent (NOI) form, along with the necessary documentation described within, which is Addendum A to the Franchise Agreement.

We do not offer financing of the Initial Franchise Fee.

You do not pay Us or Our affiliates any other fees or payments for services or goods before Your business opens.

ITEM 6: OTHER FEES

Other Fees

Type of Fee	Amount	Due Date	Remarks
Monthly Royalty Fee *(See Notes A, B, C, D, E)*	Royalty amount greater of 5% of Gross Receipts or $1,500.00 a month, per location	Monthly Sales Report due to Us strictly by the 3rd of the month. Royalties are payable monthly on the 15th day of each subsequent month by EFT.	Gross Receipts includes all revenues received by You. Royalty Fees will begin the month following each location's Grand Opening and continue through the term of the Franchise Agreement.
Payment by Credit Card *(See Note D)*	3.5% of Invoice Amount	Upon payment of the invoice	Payable to Us *(See Note J)*.
Advertising *(See Notes A, B, D, E)*	1% of Gross Receipts contribution, if Learning Express National Advertising Fund is formed	Learning Express National Advertising Fund contribution collected monthly with the Royalty	No fee is currently assessed. A 60 - day notice will be given before the advertising fund begins. We have not charged an Advertising Fund fee since Our inception and do not plan to do so in the immediate future.
Additional Assistance *(See Note A, D, F)*	Reasonable travel, lodging and labor expenses	When billed	Only if operational problems require a considerable level of additional support.

Gift Cards, Merchandise Credit Cards and Gift Card Holders *(See Notes A, D, H)*	$125.00, $125.00 and $50.00, respectively plus $25.00 if store number is printed on cards.	As incurred	Payable to Us or Service Provider. Sold in 500 piece increments. *(See Note J)*
Gift Card Processing Fee	$29.00 monthly	Monthly	Service Provider *(See Note J)*
Email, Text and Loyalty Marketing Service *(See Note A, D)*	$25.00 - $100.00 monthly	As invoiced	Payable to Us or direct to merchant. Price based on merchant and/or number of contacts. *(See Note J)*
Audit Costs *(See Note A, D)*	Cost of examination	Immediately after audit	Payable to Us; Payable only if the audit is necessary due to Your failure to furnish reports, or other information as We require, or to furnish these items on a timely basis or, if Our examination reveals an underpayment of the amount due.
Transfer Fee *(See Note G)*	$15,000.00	On or before date of transfer	Payable to Us from Buyer upon transfer of franchise. Non-refundable.
Franchise Renewal Fee	Not Applicable	Not applicable	
Renewal Late Fee *(See Note A, D)*	$100.00 per day past expiration date of Franchise Agreement	Expiration Date of Franchise Agreement	Reimburse Us Our costs due to Your delay in processing renewal agreements if not signed when due.
Costs and Attorney's Fees *(See Note A)*	Will vary under circumstances	As incurred	You are responsible for Our costs and attorney's fees if We incur them in a lawsuit We win or if We get an injunction against You. You must pay Us all damages, costs, and expenses, including all court costs, arbitration costs, and reasonable attorneys' fees, and other expenses We incur in enforcing any obligations or in defending against any claim, demand, action or proceeding relating to the Franchise Agreement, including the obtaining of injunctive relief.
Indemnification *(See Note A)*	Will vary under circumstances	As incurred	You have to reimburse Us if We are held liable for claims arising from Your

			operation of Your Local Store Franchise.
Late Payment (Interest) *(See Notes A, B, C, D, E, F, H)*	3% per month or the maximum interest rate permitted by state law, whichever is less, on all amounts due Us that are not paid on time	Upon demand	Payable to Us; Applies to past due Royalty Fees, Catalogs, Postcards, other marketing pieces or for other charges.
CounterPoint Enhancement Fee *(See Note A)*	$250.00 annually	As invoiced	Payable to Us *(See Note J)*
Shared Server Fee *(See Note A)*	$180.00 annually	As invoiced	Payable to Us *(See Note J)*
POS Software Support & Hosting Services	$100.00 monthly	As invoiced	Service Provider *(See Note J)*
Credit Card Terminals (2)	$400.00 per terminal	One-time fee	Service Provider *(See Note J)*
QuickBooks Online Fee	$28.00 monthly	As Invoiced	Service Provider *(See Note J)*
E-commerce Fees (optional participation) *(See Note I)*	7% of web orders fulfilled by Your store, 5% royalty on web orders, Your store's portion of the payment processing fees assessed for the month by the processors.	Monthly	After You fulfill a web order, LE Toys Dot Com, Inc. will reimburse You for the amount of the E-commerce sales less the E-commerce Order Fee, royalty and credit card Fees.
Music Subscription Service	$35.00 - $55.00 monthly	As Invoiced	Service Provider *(See Note J)*

Notes:

A) All fees imposed by and payable to Us will be collected by electronic fund transfer (EFT) and are non-refundable. You must authorize Your bank to accept automatic withdrawals through EFT in an amount We specify from Your bank into Our bank account on the dates We designate. You must provide Us with all documents necessary to direct Your bank to honor these pre-authorized bank debits. (See Franchise Agreement, Addendum E - EFT Authorization).

B) Gross Receipts are defined to include all forms of revenue which You receive while conducting Your Franchised Business including all forms of revenue from Your main store location, Satellite Locations, fund raisers, local fairs, and any online sales. These revenues may take the form of cash, check, credit, charge

account, merchandise exchange or barter. Gross Receipts includes money or credit which You receive from the sale of merchandise, from services which You or others may provide, or any other service or product for which You charge separately. Gross Receipts do not include the sale of merchandise for which refunds have been made in good faith to customers or any tax imposed by a governmental authority, which is collected by You and actually paid to the governmental authority.

C) You will pay a royalty amount which is the greater of 5% of Your Gross Receipts or $1,500.00 per month, per location, as a Royalty. You will pay the same Royalty based upon Your Gross Receipts from the operation of a Satellite Location. Monthly Sales reporting is due to Us by the 3rd of every month.

D) You will pay Us a fee of 3.5% of the invoice amount when payment is made in the form of a credit card. This fee is incurred at the time of payment of the invoice.

E) The Franchise Agreement reserves the right for Us to require that You pay Us on a monthly basis (in the same manner that the Royalty is paid), a contribution of 1% of Your Gross Receipts for a Learning Express National Advertising Fund. This contribution will be in addition to the local advertising requirement discussed above. We reserve the right, with at least 60 days' prior written notice, to begin collecting Your Learning Express National Advertising Fund contribution under the Franchise Agreement.

F) If We elect to provide a level of additional support because of recurrent operational problems, then We may at Our option, charge You reasonable travel, lodging and labor expense for each Learning Express representative who provides these additional support services.

G) If You sell Your Local Store Franchise, then Your Buyer must pay a $15,000.00 transfer fee to Us on or before the date of transfer.

H) You are required to participate in the Gift Card Program currently in place. Additionally, Gift Cards, Merchandise Credit Cards and Gift Card Holders must be purchased through Us. The cost of Gift Cards is $125.00, Merchandising Credit Cards are $125.00, and Gift Card Holders are $50.00 (500 pieces each). Fees are not refundable. If Store Numbers are printed on cards there is an additional $25.00 charge payable to the Service Provider.

I) You may be eligible to participate in the Learning Express E-commerce Program as a Fulfilling Store if You meet the requirements in our E-commerce Policy Manual. All E-commerce orders will be allocated to Fulfilling Stores by Our Order Routing System, and You may receive orders to be fulfilled from Your inventory. E-commerce Fees will be 7% of web orders fulfilled by Your store. Shipping revenue, taxes, and discounts will not be assessed an E-commerce Fee. Your store's portion of the payment processing fees, royalties and E-commerce Fees will be deducted from the sale, and the difference will be distributed to You, monthly. There is no startup fee paid to Us associated with becoming a Fulfilling Store.

J) We reserve the right to adjust this fee, upon written notice based on a change in circumstance such as increased costs from the vendor or 3rd party. Except as provided above, there are no provisions for any of these fees to increase during the term of Your Franchise Agreement. We do not finance any fee.

ITEM 7: ESTIMATED INITIAL INVESTMENT

Your Estimated Initial Investment

The following table outlines the estimated Initial Investment for new Local Store Franchises.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee *(See Note A)*	$35,000.00	$5,000.00 Reservation Fee, $30,000.00 Balance	Fee due with Reservation Agreement. Balance at signing of Franchise Agreement	Us
Lease & Leasehold Improvements *(See Notes B,C)*	$5,000.00 - $50,000.00	As Incurred	Prior to Opening	Contractors, Suppliers, Landlord
POS Equipment & Software *(See Note D)*	$7,969.00	As Incurred	Prior to Opening	POS Software Supplier, POS Hardware Supplier
POS Three User Access Fee *(See Note D)*	$4,950.00	As Incurred	Prior to Opening	Us
Signage *(See Note E)*	$3,000.00 - $8,000.00	As Incurred	Prior to Opening	Signage Supplier
Furniture, Fixtures and Equipment, *(See Note F)*	$20,000.00 - $34,300.00	As Incurred	Prior to Opening	Furniture, Fixtures & Equipment, Suppliers
Organizational and Training Costs *(See Note G)*	$3,500.00 - $7,000.00	As Incurred	As Incurred	Legal and Accounting Professionals, Hotel and Airline Companies
Opening Inventory *(See Note H)*	$80,000.00 - $130,000.00	As Incurred	Prior to Opening or As Incurred	Various Vendors
Grand Opening Advertising *(See Note I)*	$5,000.00 Minimum Amount	As Incurred	As Incurred	Various Vendors
Initial Gift Card Program setup Fees *(See Note J)*	$375.00	Within 10 days of store's Grand Opening	One Time Payment	Us

Insurance *(See Note K)*	$2,000.00 – $6,000.00	As Incurred	As Invoiced	Insurance Company
Additional Funds (Working Capital) *(See Note L)*	$15,000.00 - $30,000.00	As Incurred	As Needed	Employees, Suppliers, Landlord
Total:	$181,794.00 - $318,594.00			

Notes:

A) The Initial Franchise Fee for the first Local Store Franchise is $35,000.00. $5,000.00 is paid to Us at the time that You enter into a Reservation Agreement. Once You have secured a site which We have accepted, You will sign the Franchise Agreement and pay the $30,000.00 balance of the Initial Franchise Fee. We do not schedule Training until the Franchise Agreement is signed and payment of the Initial Franchise Fee is paid in full.

B) It is not expected that You will purchase real estate to operate the Local Store Franchise. Therefore, there is no initial investment included in the summary above for real estate. Nevertheless, You should be aware of the rents You likely will pay for the premises for Your Local Store Franchise. You should anticipate leasing approximately 2,000-3,000 square feet of space. While We do not specify where You must locate the Local Store Franchise, We both must agree upon a suitable location, and You must obtain Our acceptance. We anticipate that, in most parts of the country, You will pay an annual base rent of approximately $20.00 to $40.00 per square foot. Most leases will carry additional common area maintenance, insurance and tax expenses, which We estimate will be an additional annual expense of up to$15.00 per square foot. You will generally be required to pay a rent deposit and security deposit (each equal to approximately one month of Your rent). Some utility companies also require service deposits.

C) We estimate that You will spend between $5,000.00 and $50,000.00 for leasehold improvements. This figure will vary depending upon the size and condition of the premises. The interior must be renovated to conform to Our Store Design Standard. The total amount of Your leasehold improvements will require Our review. These costs are generally not refundable. Many landlords provide a portion of the leasehold improvements as consideration for the lease, known as Tenant Allowance or Tenant Improvement. Historically, Tenant Allowances have ranged from $0 to over $100,000.00, depending on local market conditions.

D) We estimate that You will spend a minimum of $12,919.00 for the hardware and software for Your Point of Sale system based on a standard configuration of two (2) POS Registers and a backroom workstation. Your POS software is provided and billed by Learning Express under Our Corporate License. We do not grant sublicenses. We only provide access to the Corporate License. As such, the POS software remains under Our ownership and cannot be transferred or re-assigned by the Franchisee. The access fee for the standard 3-user system is $4,950.00. The remaining cost of $7969.00 includes all required hardware, non-POS software (such as Microsoft Office and QuickBooks Online software) and Delivery Services provided and billed directly by our third party dealer. It is strongly recommended that the “standard” system (excluding the POS license access) be purchased through Our third party dealer. If You choose to purchase Your own equipment, additional support and installation costs may be required in order to support “non-standard” equipment. All estimates are subject to change as We work with third parties and market prices are not in Our control. Obtaining and installing anti-virus and anti-malware software is Your responsibility once the POS is installed at the store.

We require that You use the current POS software system as specified by Us. You have the option of including additional hardware in Your computer package, at an additional cost to You. We also require that QuickBooks Online software be used to manage Your store financial accounts. We reserve the right, at Our sole discretion, to require a QuickBooks "plugin" software in order for Us to monitor Your information remotely. We require that You provide Us administrator privileges to Your QuickBooks Online account.

E) Signage includes exterior and interior signage. Prices will vary depending upon the size and style of signage. Local ordinances and landlord requirements will govern the style of the exterior signage. This estimate does not include sales tax, freight or installation, which will vary based on distance and local conditions, and will range between 15% - 25% of the total sign purchase. Your signage must comply with Our Store Design Standard, and We must approve of Your sign prior to purchase and installation.

F) We estimate that You will spend between $20,000.00 and $34,300.00 for the furniture, fixtures and equipment, necessary to open Your Local Store Franchise. This estimate excludes POS equipment and signage. It also excludes sales tax, freight and installation, which will vary based on distance and local conditions and will range between 15% - 25% of the total fixture purchase.

G) You should expect to spend between $1,000.00 and $2,500.00 on professional fees for an attorney and an accountant during the period before You open Your Local Store Franchise. You are responsible for all transportation, living costs and salaries for Your training and Your employees who attend training, which will be held at Our headquarters in Devens, Massachusetts and Our Affiliate Store in Bedford, Massachusetts.

H) You should expect that the value of Your opening inventory order will be between $80,000.00 and $130,000.00. The actual value of Your initial inventory will depend upon the size of the premises for Your Local Store Franchise and the time of year You open. A pre-holiday opening, for example, will require a more sizeable inventory. This estimate does not reflect the discounts and free goods that We negotiate on Your behalf.

I) This figure includes print advertisements, in-store events, digital marketing and Email Marketing. We will create a Grand Opening Advertising Campaign with You for Your Local Store Franchise. Costs may vary depending on local media costs and demographics.

J) You are required to participate in the Gift Card Program currently in place. The initial fees associated with the setup of this Gift Card Program are $375.00, which includes program signage, 500 Gift Cards, 500 Merchandise Credit Cards, 500 Gift Card Holders the acrylic fixture and signage, which will be invoiced within 10 days of Your Store's Grand Opening. Fees are not refundable.

K) We require that You have the following minimum insurance coverage to protect Your Franchised Learning Express Store; General Liability $1,000,000 occurrence / $2,000,000 Aggregate (including products liability, property damage liability and personal injury); Owned, Hired/Non-Owned Liability of $1,000,000 Combined single limit liability; Property Insurance for 100% of the replacement cost value of all improvements & betterments, Furniture, Fixtures and Equipment and inventory; Business Income coverage for not less than 50% of Your annual sales; Workers' Compensation as required by state of operation and Employer's Liability for $500,000 / $ 500,000 / $500,000; Umbrella Liability of $1,000,000. All policies of insurance shall be primary and non-contributory to any policies that We might carry and be provided by an insurance company with an A.M. Best rating of not less than A-VII. Your landlord may require higher minimum insurance coverage which will vary from lease to lease.

Upon 30 days prior notice to You, We may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional kinds of insurance to reflect inflation, identification of

special risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. The estimated cost of insurance for the first year of operation, which is paid directly to the insurance company, is $2,000.00 - $6,000.00 depending on the state where Your store is located.

Except for Employer Liability and Worker's Compensation coverage, the insurance policies You purchase must name Learning Express, Inc. as an additional insured and You must provide an updated Certificate of Insurance to Us for Our files upon the annual renewal.

L) The amount of additional funds You should anticipate having available for Your operation is between $15,000.00 and $30,000.00 depending on the time of year. This figure includes back-up capital for expenses such as rent, payroll, other operational expenses and a minimum checking account balance. This figure does not include owner's benefit, which You should provide for separately. We cannot guarantee that this estimate will be sufficient. Additional working capital may be required if sales are low or costs are high.

Conversion Program: Your Estimated Initial Investment

The following table outlines the estimated Initial Investment for Conversion Stores participating in the Conversion Program only.

Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment Is To Be Made**
Initial Franchise Fee *(See Note 1)*	$15,000.00	As Incurred	At signing of Franchise Agreement	Us
Lease & Leasehold Improvements *(See Notes 2, 3)*	$0.00 - $10,000.00	As Incurred	Conversion Date	Contractors, Suppliers, Landlord
POS Equipment & Software *(See Note 4)*	$0.00 - $7,969.00	As Incurred	Conversion Date	POS Software Supplier, POS Hardware Supplier
POS Software License Fee *(See Note 4)*	$4,950.00	As Incurred	Conversion Date	Us
Signage *(See Note 5)*	$1,000.00 - $8,000.00	As Incurred	Conversion Date	Signage Supplier
Furniture, Fixtures and Equipment *(See Note 6)*	$0.00 - $10,000.00	As Incurred	Conversion Date	Furniture, Fixtures & Equipment, Suppliers
Organizational	$3,500.00 - $7,000.00	As Incurred	As Incurred	Legal and Accounting Professionals,

and Training Costs *(See Note 7)*				Hotel and Airline Companies
Opening Inventory *(See Note 8)*	$0.00 - $20,000.00	As Incurred	Prior to or As Incurred	Various Vendors
Grand Opening Advertising *(See Note 9)*	$1,000.00 Minimum Amount	As Incurred	As Incurred	Various Vendors
Initial Gift Card Program setup Fees *(See Note 10)*	$375.00	Within 10 days of store's Grand Opening	One Time Payment	Us
Insurance *(See Note 11)*	$0.00	As Incurred	As Invoiced	Insurance Company
Additional Funds (Working Capital) *(See Note 12)*	$0.00	As Incurred	As Needed	Employees, Suppliers, Landlord
Total:	$25,825.00 - $84,294.00			

1) The Initial Franchise Fee for the first Local Store Franchise participating in the Conversion Program is $15,000.00, payable upon signing the Franchise Agreement. We do not schedule Training until the Franchise Agreement is signed and the Initial Franchise Fee is paid in full.

2) It is expected that You already have purchased or leased acceptable real estate to operate the Local Store Franchise. Therefore, there is no minimum initial investment included in the summary above. You may need to contact Your landlord for permission in the event that Your store name is changed.

3) We estimate that You will spend between $0.00 and $10,000.00 for leasehold improvements. This figure will vary depending upon the size and condition of the premises. We may require that the interior of the store must be renovated to conform to Our Store Design Standard. The total amount of Your leasehold improvements will require Our review. These costs are generally not refundable. Many landlords may provide a portion of the leasehold improvements as consideration for the lease, known as Tenant Allowance or Tenant Improvement. Historically, Tenant Allowances have ranged from $0 to over $100,000.00, depending on local market conditions.

4) We estimate that You will spend between $4,950.00 and $12,919.00 for the hardware and software for Your Point of Sale system based on a standard configuration of two (2) POS Registers and a backroom workstation. Your POS software is provided and billed by Learning Express under Our Corporate License. We do not grant sublicenses. We only provide access to the Corporate License. As such, the POS software remains under Our ownership and cannot be transferred or re-assigned by the Franchisee. The access fee for the standard 3-user system is $4,950.00. If Your current hardware and software do not meet Our

requirements, the remaining estimated cost of $7,969.00 includes all required hardware, non-POS software (such as Microsoft Office anti-virus and anti-malware software) and Delivery Services provided and billed directly by Our third party dealer. It is strongly recommended that the “standard” system (excluding the POS license access) be purchased through Our third party dealer. If You choose to purchase Your own equipment, additional support and installation costs may be required in order to support “non-standard” equipment. All estimates are subject to change as We work with third parties and market prices are not in Our control. Obtaining and installing anti-virus and anti-malware software is Your responsibility once the POS is installed at the store.

We require that You use the current POS software system as specified by Us. You have the option of including additional hardware in Your computer package, at an additional cost to You. We also require that QuickBooks Online software be used to manage Your store financial accounts. We reserve the right, at Our sole discretion, to require a QuickBooks “plugin” software in order for Us to monitor Your information remotely. We require that You provide Us administrator privileges to Your QuickBooks Online account.

5) You may be required to make updates to Your existing signage, including exterior and interior signage. Prices will vary depending upon the size and style of signage. Local ordinances and landlord requirements will govern the style of the exterior signage. This estimate does not include sales tax, freight or installation, which will vary based on distance and local conditions, and will range between 15% - 25% of the total sign purchase. Your signage must comply with Our Store Design Standard, and We must approve of Your sign prior to purchase and installation.

6) If Your current fixtures do not meet Our Store Design Standard, We estimate that You will spend up to $10,000.00 for the furniture, fixtures and equipment, necessary to open the Conversion Store. This estimate excludes POS equipment and signage. It also excludes sales tax, freight and installation, which will vary based on distance and local conditions and will range between 15% - 25% of the total fixture purchase.

7) You should expect to spend between $1,000.00 and $2,500.00 on professional fees for an attorney and an accountant during the period before You open Your Conversion Store. You are responsible for all transportation, living costs and salaries for Your training and Your employees who attend training, which will be held at Our headquarters in Devens, Massachusetts and Our Affiliate Store in Bedford, Massachusetts.

8) You should expect that the total value of Your inventory will be between $80,000.00 and $130,000.00. It is expected that You already own much or most of this inventory, so there is minimal additional investment required. The actual value of Your initial inventory will depend upon the size of the premises of Your Conversion Store and the time of year You open. A pre-holiday opening, for example, will require a more sizeable inventory. This estimate does not reflect the discounts and free goods that We negotiate on Your behalf.

9) This figure includes print advertisements, in-store events, digital marketing and Email Marketing. We will create a Grand Opening Advertising Campaign with You for Your Conversion Store. Costs may vary depending on local media costs and demographics.

10) You are required to participate in the Gift Card Program currently in place. The initial fees associated with the setup of this Gift Card Program are $375.00, which includes 500 Gift Cards, 500 Merchandise Credit Cards, 500 Gift Card Holders and the acrylic fixture and signage, which will be invoiced within 10 days of Your Conversion Store’s Grand Opening. Fees are not refundable.

11) It is expected that You already have insurance that meets Our requirements. We require that You have the following minimum insurance coverage to protect Your Franchised Learning Express Store; General

Liability $1,000,000 occurrence / $2,000,000 Aggregate (including products liability, property damage liability and personal injury); Owned, Hired/Non-Owned Liability of $1,000,000 Combined single limit liability; Property Insurance for 100% of the replacement cost value of all improvements & betterments, Furniture, Fixtures and Equipment and inventory; Business Income coverage for not less than 50% of Your annual sales; Workers' Compensation as required by state of operation and Employer's Liability for $500,000 / $ 500,000 / $500,000; Umbrella Liability of $1,000,000. All policies of insurance shall be primary and non-contributory to any policies that We might carry and be provided by an insurance company with an A.M. Best rating of not less than A-VII. Your landlord may require higher minimum insurance coverage which will vary from lease to lease.

Upon 30 days prior notice to You, We may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional kinds of insurance to reflect inflation, identification of special risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. The estimated cost of insurance for the first year of operation, which is paid directly to the insurance company, is $2,000.00 - $6,000.00 depending on the state where Your store is located.

Except for Employer Liability and Worker's Compensation coverage, the insurance policies You purchase must name Learning Express, Inc. as an additional insured and You must provide an updated Certificate of Insurance to Us for Our files upon the annual renewal.

12) It is expected that You already have sufficient Working Capital in Your Conversion Store.

General Item 7 Notes

All Item 7 estimates are based on Our experience and the experience of Our franchisees. Your business must be fully capitalized before Grand Opening day between cash in bank and loan guarantees. You should not plan to draw income from the operation during the start-up and development stage of Your business, the actual duration varies and cannot be predicted by Us. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of Your business, which will depend upon factors such as the demographics and economic conditions in the area in which Your Local Store Franchise is located, the public awareness of Our business and Trademarks within the general vicinity of Your Local Store Franchise, competition, and Your ability to operate efficiently and in conformance with Our recommended methods of doing business.

Because the exact amount of reserves will vary from operation to operation and cannot be meaningfully estimated by Us, We urge You to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for Your particular operation.

Generally, the foregoing costs, expenses and purchases are non-refundable. We do not finance, in whole or in part, any of Your initial investment, although We do guarantee payment of Your initial merchandise inventory to allow You time to establish credit with Our vendors. However, it is ultimately Your sole responsibility to pay the vendors within the negotiated vendor terms. Learning Express Terms (Dating, Freight & Discounts) apply only if invoices are paid by the due date.

In order to protect Our Brand We have an unrestricted right to communicate to Our vendors regarding Your Store and Franchise and Franchised Business that would include past due invoices with vendors or Us.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as indicated below, You are not required to purchase products or services from suppliers approved by Us.

System Standards

To ensure that the highest degree of quality and service is maintained at all Learning Express Businesses, You must operate Your Franchised Business in accordance with the System Standards. We have developed the System Standards based upon Our experience and the experience of Our franchisees. We disclose the System Standards to You in the Operations Manuals and Our Intranet site and otherwise, in writing.

Furniture, Fixtures & Equipment Specifications

You must furnish and equip the franchise store according to Our System Standards. All packaging, supplies, signs, equipment, furniture and other items used in the operations of the Franchised Store must comply with Our specifications and be purchased from approved suppliers that We designate. We will provide You a list of specifications and equipment, supplies and other materials as well as a list of approved suppliers for some or all of these items in Our Grand Opening Manual.

We require you to subscribe to an approved music subscription service that enhances the in-store shopping experience and will satisfy ASCAP and other licensing as specified in the Operations Manual.

Products

A substantial part of the goodwill associated with Learning Express comes from the quality and the educational and developmental orientation of the products which are sold by Local Store Franchisees. You will offer for sale only those products which We deem to be appropriate. You have the right to add products to Your inventory mix not included in the recommended Buying Program, but only if those products meet Our standards for quality, safety, and value. As an independent store owner, You must require that all vendors not previously approved by Us comply with all state and federal toy safety mandated regulations.

Learning Express System Standards may change periodically through updates in the Confidential Operations Manuals and through operating memoranda issued by Us, via e-mail or over the Learning Express Intranet. In determining which products to approve, We evaluate the quality and appropriateness of each item, the reputation of the manufacturer, the cost of the item as well as adherence to applicable current Consumer Product Safety Improvement Act standards. The criteria applied by Us for supplier approval will be made available to You as requested. Specifications and standards for products, services and suppliers are sent by e-mail or delivered over the Learning Express Intranet. We negotiate terms and prices for products purchased by Local Store Franchisees, but it is not Our practice to negotiate terms and prices on behalf of the Local Store Franchisees from vendors who are not on Our approved supplier list. We do negotiate purchase arrangements with approved suppliers on behalf of franchisees and do provide material benefits to franchisees based on franchisee's use of designated or approved sources.

Computer Hardware and Software

You will be required to use computer hardware and Our proprietary software for use in the operation of Your Local Store Franchise. You must establish a high speed Internet connection with a reputable Internet Service Provider (“ISP”), in connection with the operation of Your Franchised Business. All internet connectivity to access our POS server, whether in-store or remote, must utilize a static IP address in order to ensure system security.

Digital Marketing

We restrict You from all E-commerce activities including advertising, marketing, social networking on any non-sanctioned web page, or other internet available media without Our prior written consent. If We provide consent to a Digital Marketing Channel, We or Our designee must be given administrator access to that Channel within 24 hours of publishing.

Email Marketing

When sending communication through email, You must comply with the CAN-SPAM act of 2003, which establishes the United States' first national standards for the sending of commercial email and requires the Federal Trade Commission to enforce its provisions. We have an approved vendor who meets these standards, and we provide support through platform tutorials and by supplying email content. We or Our designee must be provided ongoing administrator access to Your email marketing platform.

Miscellaneous

Other than the items listed above, there are currently no other items or services for which We or Our affiliates are approved suppliers or the only approved suppliers.

There are no approved suppliers in which any of Our officers owns an interest.

We negotiate discounted fees on many of Your initial New Store Orders from certain approved vendors for Your benefit. Other than free goods and discounts which we have negotiated on Your behalf, there is no practice in effect by which We provide material benefits to You, such as a right of renewal or the awarding of additional franchises, based upon Your use of approved suppliers.

We receive co-op advertising payments from some vendors whose products are chosen to be included in Our catalogs. These amounts are used to reduce the cost of producing the catalogs You purchase from Us.

We will be a source (and in some instances, the only source) for Your advertising materials and of certain supplies, e.g., Point of Sale Enhancement and hosting fees; Catalogs, Tri-folds, Postcards, and various printed items bearing the Trademarks, e.g., business cards, postcards, stationery and brochures. Any payments received from You are intended to cover Our costs incurred in supplying the items. We serve as a source of supply to maintain quality control over Our Trademarks and to provide these items to You at a competitive cost. As of our fiscal year end December 31, 2019, We realized $65,650 in revenue from Your purchases which accounted for 1.46% of Our total revenues of $4,508,873.

There are currently no formal purchasing or distribution cooperatives.

ITEM 9: FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE LOCAL STORE 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.

Franchisee's Obligations

Obligation	Section In Agreement	Disclosure Document Item
Site selection and acquisition/lease	Sections 1.4, 3.1, 4.3, 7.1, 7.2, 9.3, 11.2 and 13.1 of Franchise Agreement	Items 1, 5, 7, 10, 11, 12 and 15
Pre-opening purchases/leases	Sections 5.5, 8.1, 9.3, 10.2, 10.3 and 10.8 of Franchise Agreement; Phase One of Conversion Addendum	Items 1, 5, 6, 7 and 8

Site development and other pre-opening requirements	Sections 1.8, 10.2 and 10.5 of Franchise Agreement; Section 4 of Conversion Addendum	Items 1, 5, 7 and 11
Initial and ongoing training	Sections 9.1, 9.2, 9.3 and 9.4 of Franchise Agreement; Sections 2 and 4 of Conversion Addendum	Items 1, 5, 6, 7 and 11
Opening	Section 9.1 of Franchise Agreement	Items 7, 8, 10 and 11
Fees	Sections 1.6, 1.7, 1.8, 7.1, 7.2, 7.3, 7.4, 7.6, 8.1, 8.2, 8.3, 8.4, 10.2 and 10.8 of Franchise Agreement; Section 2 of Conversion Addendum	Items 5, 6 and 7
Compliance with standards and policies Operations Manuals	Sections 5.1, 6.3, 6.4, 8.1, 8.2, 8.3, 8.8, 9.4, 10.1, 10.2, 10.7, 10.8, 10.10, 10.11, 11.2, 14.1 and 16.4 of Franchise Agreement; Sections 3, 4, 5 and 6 of Conversion Addendum	Items 1, 7, 8, 10, 11, 12, 13, 14, 15 and 16
Trademarks and proprietary information	Sections 5, 6, 10.20, 11.1 and 17 of Franchise Agreement; Section 2 and 4 Conversion Addendum	Items 8, 13 and 14
Restrictions on products/services offered	Section 10.3 of Franchise Agreement; Section 3 of Conversion Addendum	Items 8, 12 and 16
Warranty and customer service requirements	Not Applicable	Not Applicable
Territorial development and sales quotas	Not Applicable	Not Applicable
Ongoing product/service purchases	Sections 8.7, 8.8, 8.9, 10.2 and 10.3 of Franchise Agreement; Sections 4 and 6 of Conversion Addendum	Items 8 and 16
Maintenance, appearance and remodeling requirement	Sections 3.1, 4.2 and 10.21 of Franchise Agreement; Sections 2 and 6 of Conversion Addendum	
Insurance	Section 10.5 of Franchise Agreement	Item 7
Advertising	Section 1.8 and 8 of Franchise Agreement; Sections 2, 4, 5 and 6 of Conversion Addendum	Items 6, 7, 8 and 11
Indemnification	Section 10.20 of Franchise Agreement; Section 2 of Conversion Addendum	Item 6
Owner's participation/ management/staffing	Sections 9.1, 10.4 and 10.13 of Franchise Agreement	Items 11 and 15

Records/reports	Sections 10.6, 10.7, 10.9, 14.1K, Addendum D of Franchise Agreement	Items 6 and 11
Inspections/audits	Section 10.6 and 10.7 of Franchise Agreement	Items 6 and 11
Transfer	Sections 2.2 and 11 of Franchise Agreement	Item 17
Renewal	Sections 1.3, 4.2, 6.2 and 9.7 of Franchise Agreement	Items 6, 7, 8 and 17
Post-termination obligations	Sections 2.3, 5.3, 6.3, 6.4, 10.7, 10.8, 10.20, 10.22, 13, 14, 15 and Addendum F of Franchise Agreement	Items 11, 14 and 17
Non-competition covenants	Section 15.1 of Franchise Agreement	Item 17
Dispute resolution	Sections 16.6, 16.7 and 16.12 of Franchise Agreement	Item 17

ITEM 10: FINANCING

We do not offer any direct or indirect financing to the Local Store Franchisee. Except as provided below, We do not guarantee any loan, lease or obligation for any Local Store Franchisee. If You do secure a loan for the business, You will be required to provide Us with a copy of the loan documentation.

We guarantee Your initial inventory purchase to Your suppliers only when Learning Express Home Office places the New Store Order with Our approved vendors.

However, it is ultimately Your sole responsibility to pay the vendors within the negotiated vendor terms. Learning Express Terms (Dating, Freight & Discounts) apply only if invoices are paid by the due date.

To secure the prompt performance of Your obligations under the Franchise Agreement and to protect the Trademarks and Our proprietary information, You grant Us a security interest in the royalties, equipment, fixtures, furniture, inventory and improvements at the Franchised Business. Upon execution of Your Franchise Agreement, We may file a UCC-1 Financing Statement.

In order to protect Our Brand, We have an unrestricted right to communicate to Our vendors information regarding Your Store and Franchised Business that would include past due invoices with vendors or Us.

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 Local Store Franchise for business, We, or Our designee will:

1) Define a designated territory within which You will open a single Local Store Franchise at a site selected by You, although We will assist You with the site selection, demographic studies, lease review and

negotiations (Franchise Agreement - Sections 1.4, 1.5 and 2.2). Our assistance may not be necessary for Conversion Stores. Our acceptance of a site does not constitute a representation or warranty that the location will be profitable or that Your sales will attain any predetermined levels. Acceptance is intended only to indicate that the proposed site meets the minimum criteria for identifying sites. You will generally lease the premises for Your Local Store Franchise from an independent third party. You are responsible for all aspects of Your lease, including obtaining independent legal advice from Your attorney regarding Your lease, as We do not provide any legal language review, nor does Our acceptance of Your proposed site indicate that We approve any language in Your lease. You are responsible for all aspects of construction of Your Local Store Franchise, including permits, construction, labor, flooring, lighting, painting and installation of fixtures, equipment, signs and all other improvements, although We are available to consult with You and Your contractors during the entire process.

2) Create a store fixture layout for Your store location, provide You with a Grand Opening Manual, a list of build-out specifications and required equipment and a Grand Opening advertising and marketing plan. The store fixture layout does not apply to Conversion Stores.

3) Provide a New Store Owner Training Program for You and Your designated management staff in the operation of Your Local Store Franchise. There will be no charge for training, but You will be responsible for all transportation, living costs and salaries for You and Your employees who attend training. If You employ a manager, Your manager must attend New Store Owner Training. The training will take place at Our headquarters in Devens, Massachusetts and our Affiliate store in Bedford, Massachusetts. New Store Owner Training is conducted as often as needed. The training program is mandatory and You and/or Your designated manager must attend and complete the training to Our satisfaction, before You open Your Local Store Franchise. The New Store Owner Training Program is outlined below and currently consists of approximately 5 days or 40 hours. In addition, You will be required to attend First Year Training during the year following Your Opening at Our Annual Convention and Toy Fair, if offered. You and designees from Your management staff, at Our discretion, may also be required by Us to attend additional training at Our headquarters. You will be responsible for all costs and expenses associated with attending any of these advanced training sessions (Franchise Agreement – Section 9.1).

4) Provide on-site assistance and guidance to You and Your staff for the following: Receiving, Merchandising, Product Training, Sales Training, Customer Service Training, Marketing, Office Organization and Procedures, Buying and Inventory Management Training, Finance, the Intranet and Point-of Sale System (approximately 4 weeks, or 1 week for Conversion Stores).

Training Program*

The following training program applies to new Local Store Franchises.

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Initial Classroom Training	28	0	Devens, Massachusetts
On-The-Job Training	0	4	Affiliate Store in Bedford, Massachusetts
On-Site Pre-Opening and Set Up*	0	224	Franchisee's location

Post Opening Training and Follow-Up	0	80	Franchisee's location
First Year Training	16	56	Annual Convention and Toy Fair

*It is the nature of this business that all aspects of training are integrated that is, there are no definitive starting and stopping times. Time and content are subject to change without notice.

Training Program (Conversion Store)
The following training program applies to Conversion Stores only.

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Initial Classroom Training	28	0	Devens, Massachusetts
On-The-Job Training	0	4	Affiliate Store in Bedford, Massachusetts
On-Site Conversion*	0	40	Franchisee's location
First Year Training	16	56	Annual Convention and Toy Fair

*It is the nature of this business that all aspects of training are integrated that is, there are no definitive starting and stopping times. Time and content are subject to change without notice.

People
Individuals instructing the training may vary.

Marcia Ainger
New store orders

Marcia has 20 years of experience with Us, working with stores on their initial product orders and ongoing with setting up new vendors.

Paul Harrington
LE Website, Google Listings

Paul has 4 years of experience with Us, 11 years relevant experience in digital content management.

Lauren Ciprotti
Product Overview

Lauren has 6 years of experience with Us as a Buyer and 5 years of experience as a product development.

Lauren Derse
Marketing, Personalization

Lauren has 8 years of experience with Us as Director of Marketing, 11 years relevant experience in the fields of retail, marketing and strategy.

Mike Derse
Grand Opening

Mike has 8 years of experience with Us providing new store development support.

Rob Kracinovich
Product Overview

Rob has 14 years of experience with Us as a Senior Buyer and 29 years of total buying experience.

Linda Peebles
Staffing, Hiring, Employee Handbook, Staff Motivation, Intranet, Buying Reports, Loss Prevention, Customer Service, Store Supplies, First Year Expectations

Linda has 14 years of experience with Us, 11 as Vice President, Training; 28 years of relevant experience in toy retailing and training.

Mary Mintz
Product Overview

Mary has 4 years of experience with Us as a Buyer and 19 years of relevant buying experience in the toy industry.

Deb Perry
Grand Opening Advertising, Graphics Best Practices

Deb has 30 years of experience with Us as Art Director providing expertise in graphic design and illustration.

Lauren Perry
Customer Service, Staffing, Store Support

Lauren has 11 years of experience with Us and 3 of those years providing customer service, staff training and local store ongoing operation's support to stores.

Bruce Schneiderbauer
Build out, Construction

Bruce has 4 years of experience with Us working with owners on their store's design, fixtures, construction and coordination with local contractors.

Kim Schneiderbauer
Breakeven, Proforma, Cash Flow, QuickBooks

Kim has 25 years of experience with Us providing store owners with ongoing store operations and financial support.

Christy Starr
POS Software, Store Systems

Christy has 9 years of experience with Us providing CounterPoint support to the stores.

Zak Stoddard
Graphics Best Practices

Zak has 5 years of experience with Us as Graphic Designer, 7 years relevant experience in the field of graphic design.

Meghan Thompson
Social Media, PR Grand Opening, Email Marketing

Meghan has 1 year of experience with Us and 10 years relevant experience in marketing.

Lisa Visco

Buying and Inventory Management

Lisa has 21 years of experience with Us as Vice President, Merchandising, 32 years of relevant experience in the field of buying and inventory management.

Regional Franchise Owners (in certain parts of the country)
Our Regional Franchise Owners will assist You during the entire Opening Process. Their contact and background information can be found in Exhibit B to this Disclosure Document.

5) Make available to You, on loan, the Learning Express Confidential Manuals (the "Manuals"), which are and remain Our property. The Manuals contain the System standards and procedures for the operation of Your Local Store Franchise, for the business as a whole and will be updated via Our Intranet as changes are made in the Learning Express franchise System (Franchise Agreement - Section 10.1).

   The Table of Contents of the Manuals appears as Exhibit E to this Disclosure Document. The Learning Express Confidential Manuals contain 1570 pages.

6) Order Your initial inventory of products (New Store Order) and fixtures on Your behalf (Franchise Agreement - Section 9.3C). This opening inventory order does not apply to Conversion Stores.

Assistance During Operation of Your Local Store Franchise:

During the operation of Your Local Store Franchise, We or Our designee will:

1) Periodically advise and offer general assistance to You by telephone, email, webinars and site visits on topics such as inventory control, assessment of new products as We deem appropriate, merchandising and marketing services, evaluation of sales and profitability, recommendations for operational improvements (Franchise Agreement – Section 9.4), and review of Your books and records (Franchise Agreement – Section 10.6 and 10.7);

2) Provide updates, revisions and amendments to the Manuals via Our Intranet (Franchise Agreement - Section 6.3);

3) Provide guidance and creative for Your Grand Opening advertising print media and direct mail campaign. (Franchise Agreement – Section 1.8 and 8.1);

4) Establish and expend monies under the Learning Express National Advertising Fund, if and when established. We will notify You at least 60 days in advance before We begin collecting Your contribution to the Learning Express National Advertising Fund. (Franchise Agreement - Sections 8.3 and 8.4);

5) Provide the Learning Express Internet Website and provide You with a store profile page.(Franchise Agreement – Section 9.4J);

6) Periodically provide advertising, marketing and other promotional materials including ads, bag-stuffers, emails, brochures, catalogs and flyers (Section 9.4I).

Advertising Assistance
We will provide certain advertising services to You, either in-house or through an outside advertising agency, including assistance in the development of a grand opening campaign, press releases, brochures, catalogs and print ready artwork. You alone are responsible for the placement and payment for the grand opening advertising campaign and the local market advertising program. You must spend a minimum of 3% of Your Gross Receipts on advertising and promoting the Store in Your local market area. You may use

Your own advertising and promotional materials, but all local advertising and promotion is subject to Our prior review and approval. You must adhere to Our standards regarding Your advertising and promotion efforts and expenditures. As a portion of the required 3% of Your Gross Receipts spent on advertising and promotion, We strongly recommend that You participate in each printed corporate sponsored marketing event that is listed on the yearly Corporate Publication Schedule.

Currently, We provide certain marketing services to You, including assistance with social media management software, email marketing, software support, social media content You can use for platforms such as Facebook, Instagram and Twitter, graphics for Your email marketing campaigns and support locating and communicating with local media contacts. We will create custom press releases upon request and send them to Your local media outlets. You must adhere to Our standards of professional content in all interactions with the public.

We reserve the right to require that You contribute up to an additional 1% of Your Gross Receipts for the Learning Express National Advertising Fund, in addition to the local marketing programs discussed above. The money collected will be placed in the Learning Express National Advertising Fund, to be used for the design, administration and placement of national advertising programs. No portion of the Learning Express National Advertising Fund will be used to sell franchises. We will notify You 60 days in advance, before We begin to collect the money for the Learning Express National Advertising Fund. Sections 8.3 and 8.4 of the Franchise Agreement contain further information about the Learning Express National Advertising Fund. No fiduciary relationship will be created by the existence of the Learning Express National Advertising Fund. Within 90 days following Our fiscal year end, You may request a copy of the Learning Express National Advertising Fund's financial statement. We have not charged an Advertising Fund fee since Our inception and do not plan to do so in the immediate future.

There are currently no formal advertising cooperatives in place. Most advertisements are placed directly by the individual Local Store Franchisee in print media. Local Store Franchisees also engage in direct mailing to their customers, in the form of catalogs, postcards and announcements of special promotions. We do not have the power to require cooperatives to be formed, changed, dissolved or merged.

The Learning Express Franchise Advisory Council (“FAC”) was formed in 2000. The FAC serves in an advisory capacity. The FAC is a volunteer organization made up of store owners who are interested in participating in a leadership and advisory committee. The by-laws of the FAC limit the number of members to a maximum of 12. We do not have the power to change or dissolve the FAC unless approved and voted upon by the current representatives, although We initiated its formation.

The Learning Express Marketing Advisory Committee (“MAC”) was formed in 2002. The MAC is a committee of store owners appointed to represent the marketing interests of all Local Store Franchisees. The MAC serves in an advisory capacity.

You or Your representative must attend annually, at Your expense, the Toy Fair scheduled by the Toy Industry Association (held late February in New York City) and the Learning Express Annual Convention for all franchisees, Regional Franchise Owners and invited vendors (typically the last week of June).

Computer Point of Sale System

1) Learning Express requires the franchisee to use the current sanctioned computer system. The minimum configuration contains two POS stations and one “back office” computer. The computer system software is licensed to Learning Express and is located on a central server accessible via the Internet. You must obtain a static IP address from Your internet service provider in order to access the central server. The computer software will support the following functions:

A) PURCHASING AND RECEIVING
B) INVENTORY MANAGEMENT AND CONTROL
C) CUSTOMER MANAGEMENT
D) POINT OF SALE (POS) TRANSACTIONS
E) FINANCIAL REPORTS
F) STANDARD AND CUSTOM REPORTING TO SUPPORT THE ABOVE FUNCTIONS

2) The minimum POS configuration consists of two point of sale registers each including:

A) COMPUTER TO SUPPORT THE POS SOFTWARE (CPU, KEYBOARD, MONITOR, MOUSE)
B) CASH DRAWER
C) RECEIPT PRINTER
D) BAR CODE SCANNER
E) POLE DISPLAY (IF REQUIRED BY STATE)
F) CREDIT CARD TERMINAL
G) BATTERY BACK-UP

3) The minimum back office system contains the following minimum requirements:

A) COMPUTER TO SUPPORT "BACK OFFICE" OPERATIONS (CPU, KEYBOARD, MONITOR, MOUSE)
B) BAR CODE SCANNER (TO SUPPORT RECEIVING OPERATIONS)
C) LASER PRINTER FOR GENERATING REPORTS
D) LABEL PRINTER FOR PRICING LABELS
E) MICROSOFT OFFICE SOFTWARE
F) QUICKBOOKS ONLINE FINANCIAL SOFTWARE
G) BATTERY BACKUP

4) Other computer equipment

A) HARDWARE FIREWALL/ROUTER
B) MISCELLANEOUS CABLING TO CONSTRUCT LOCAL AREA NETWORK (LAN). THIS SHOULD NOT INCLUDE CABLING FROM CASH WRAP BACK TO COMPUTER SETUP REQUIRING CABLING OVER 10 FEET.

5) The minimum cost to You for the configured system (described above) is $12,919.00 and includes all of the hardware and software required by Us including all POS system license access fees.

6) It is Your sole responsibility to keep your computer system operational and up to date, including maintenance, repairs, upgrades or updates. The warranty on computer equipment may vary by manufacturer. It is up to You to determine the necessity and warranty extension period of a hardware service contract. Warranty contracts on hardware will vary depending on coverage desired, manufacturer and equipment covered. Initial warranty for computers (only) is included in the initial cost of this system.

7) Our Data Center Management Team is responsible for the maintenance, repair, upgrades, and updates to the central server(s).

8) From time to time, as new functionality or technology is introduced, You may be required to upgrade or add additional hardware and/or software, or share in the cost to augment the hardware/software that is centrally located, whenever We, in Our reasonable judgment, determine that upgrading will improve Your store's operations or Your ability to efficiently transfer data from Your system, or to improve the Brand, or to gain a competitive advantage in Our retail space. It is anticipated that Your POS software may need to be upgraded annually to be compliant with Learning Express operational procedures.

9) We, Our computer support partners and Your Regional Franchise Owner have the right to access Your information stored on the central server and QuickBooks Online accounts without limitation or notice to You (Franchise Agreement - Section 8.8). Access may be for analysis support, service and/or auditing purposes. Each store will provide and keep current a specific number of corporate accounts that will allow access to Your stored information. We may require You to use a designated ISP and prescribed method for transmitting electronic data.

Note
Since computer hardware/software is constantly changing, detailed specifications of the current system will be provided with the associated costs upon request. You will be provided with a quote for Your specific computer system prior to its purchase.

All Learning Express stores are required to meet the requirements of Payment Card Industry (PCI) Compliance. It is the responsibility of the store owner to make sure that their systems used in the store are PCI Compliant.

Computer Systems are vulnerable in varying degrees to computer viruses, power and communication disruptions, internet access failures and attacks by hackers. You must protect Your computers by taking reasonable steps to secure Your systems (including firewalls, password protection, anti-virus and anti-malware systems) and to provide backup systems for non-POS related data.

You may be required to upgrade or replace Your hardware and/or software periodically, whenever We, in Our reasonable judgment, determine that upgrading will improve Your store's operations or Your ability to efficiently transfer data from Your system.

Selection of the Location of Your Local Store Franchise
Either We or Our designee will assist You in finding a site for Your Local Store Franchise. While We need to accept Your chosen location, You are solely responsible for the selection of Your site. Among the many factors which We or Our designee will consider are: the population, income level and volume of toy/retail spend of the trading area; pedestrian and vehicular traffic patterns; the number of compatible businesses in the immediate area; competition; parking and accessibility; visibility; and lease and rental terms. Our acceptance of a specific location does not warrant the suitability of the site or the likelihood of success of Your Local Store Franchise. We or Our designee will notify You within 30 days if We accept Your site. If You cannot secure an accepted site for Your Local Store Franchise within 180 days from the date of the Reservation Agreement, We will refund Your Reservation Fee in full. While it is difficult to estimate the typical length of time between the signing of the Franchise Agreement and the opening of Your Local Store Franchise for business, We anticipate that the period will run approximately 90 to 180 days. Among the factors affecting the time period will be: the availability of an appropriate site; financing arrangements; meeting the requirements of local and state ordinances; and the delivery and installation of equipment, inventory, signage, and fixtures. Site Selection assistance does not apply to Conversion Stores.

Internet
In order to protect Our Brand, We have the right to approve, or control all of Your electronic media, including Internet activities, and e-mail marketing correspondence, digital content, and electronic communications. This includes, but is not limited to, any websites and Social Networking and Marketing activities, including Twitter, Facebook, Foursquare, LinkedIn, Pinterest, Instagram or any other Social media outlets. This also includes any group or social buying platforms, promotions or campaigns. You must follow the most recent rules and regulations published in our Operations Manuals or other manuals We have created regarding the upkeep and communications sent out via these channels.

You shall not establish a web site on the Internet using any domain name containing the words Learning Express .com, .net, .biz, .org or any variation thereof. We maintain the Learning Express Internet Website and provide You with access to Our website and a Store Profile page contained with Our website for Your Local Store Franchise. We may require that You utilize E-commerce products or services designated by Us if You choose to be an E-commerce store.

Any digital or electronic content published must be within Brand communication standards and is subject to approval by Us. All digital imagery bearing any Learning Express mark is subject to approval by Us.

Due to the speed of electronic communication, all instructions by Us which are deemed to restrict, designate or control E-commerce activities must be responded to within 24 hours.

We also reserve the right to approve any existing or future (not yet developed) Fan Page or other advertising or social networking services of the Franchised Business, including the sending of e-mail, other than in accordance with the guidelines in the Confidential Operations Manual or otherwise as We specify in writing.

E-commerce

You may be eligible to participate in Our E-commerce Program as a Fulfilling Store if You meet the Store Requirements in the E-commerce Policy Manual. We, or Our designee, shall provide web hosting services, create and maintain the web content and market the E-commerce site. Web orders shall be routed to and fulfilled by stores based on Our Order Routing System. Product availability, shipping distance, order fulfillment response time and designated territory are among the inputs into Our Order Routing System.

The Learning Express E-commerce Program and E-commerce Policy, including Store Requirements and the Order Routing System, are subject to modification or cancellation at any time by Us at Our sole discretion.

Telephone Listings & Digital Media

You may have as many local telephone and facsimile numbers and telephone directory listings and email addresses for Your Franchised Business as you choose. However, You must transfer them to Us upon the expiration, termination, repurchase or transfer of Your franchise, at Your expense. You must sign an authorization that grants Us the right to change, transfer, or terminate Your telephone listings, Your e-mail addresses, Social Media accounts, domain names and comparable electronic identities, on Your behalf upon expiration, termination, repurchase or transfer of Your franchise. The Telephone Listing Agreement and Digital Media Listing Agreement appear in Addenda G and I to the Franchise Agreement.

ITEM 12: TERRITORY

Your Designated Territory

Your Local Learning Express Store Franchise will be located within a specific geographic area defined by zip codes, streets, city, town, drive times, and natural boundaries and/or by a distance radius (the "Designated Territory"). A map or description of the Designated Territory will be included in Your Franchise Agreement. As long as You are not in default under the Franchise Agreement, You will be granted an exclusive territory and We will not place another Local Learning Express Store Franchise or operate a brick-and-mortar Learning Express Store selling same or similar products or services under same or similar trademarks, service marks, or logos within Your Designated Territory without Your permission. You have no other rights derived from the definition of the Designated Territory.

There are no restrictions on where Your customers come from. There are restrictions on how You market to customers residing outside of Your Designated Territory as specifically contained in the Learning Express Operation's Manual.

You may be eligible to participate in E-commerce based on the program outlined in Our Operation's Manual. We have the right to use the Internet or other channels of marketing and distribution for the sale of products inside or outside Your Designated Territory under our principal trademarks and other trademarks, service marks, logos, and commercial symbols owned by Us. If You elect not to participate in Our E-commerce program You will receive no compensation for Our sales through the Internet or alternative channels of marketing and distribution outside or inside Your territory.

You will pay a royalty amount which is the greater of 5% of Your Gross Receipts or $1,500.00 per month, per location, as a Royalty. You will pay the same Royalty based upon Your Gross Receipts from the operation of a Satellite Location. You maintain rights to Your Designated Territory even though the population increases. There are no other circumstances by which We may modify Your Designated Territory without Your consent.

Relocation
You may operate from one location only. With Our permission, You may relocate Your Store. You are not entitled to relocate without Our prior written consent, which We may withhold in Our sole discretion. Depending on the site of your proposed relocation, a modification to Your Designated Territory may be required.

Satellite Locations
With Our permission, You may open one or more Satellite Locations to Your Store. No additional territory is granted for a Satellite Location. You are not entitled to operate a Satellite Location without Our prior written consent, which We may withhold in Our sole discretion. We do not charge You an additional initial franchise fee if You open a Satellite Location.

The operation of a Satellite Location requires the complete submission of Our NOI form, which is Addendum A to the Franchise Agreement. Your Store must be in compliance with Your current Franchise Agreement in order to open and/or continue operation of a Satellite Location.

An additional store is considered a Satellite Location to Your Store if it satisfies one or more of the following requirements:

1) The additional store is located within the Designated Territory of Your Store.

2) The additional store has a lease term that is less than two years.

3) The lease for the additional store includes landlord termination rights that effectively reduce the guaranteed lease term to less than two years.

If, at any time, Your Satellite Location does not satisfy one or more of the above requirements, then You will be required to execute a separate, then current Franchise Agreement for the Satellite Location and pay the additional Initial Franchise Fee described in Item 5.

At such time Your Satellite location extends beyond the two (2) years, regardless of lease conditions, then You will pay the additional license fee of Fifteen Thousand dollars ($15,000.00).

ITEM 13: TRADEMARKS

We grant You the right to use the following Learning Express trademarks. You may only use the Learning Express trademarks We designate to operate Your Local Store Franchise. By "Trademark", We mean trade names, trademarks, service marks, logos and domain names (whether consisting of any of the previously mentioned or not) which are a part of the Learning Express System.

We have registered the Trademarks listed below on the United States Patent and Trademark Office Principal Register (USPTO). We have filed all required affidavits with the USPTO.

Trademark	Details	Registration Date	Registration #
"Learning Express"	(Words Only)	July 16, 1991	1,651,110
	(Logo)	October 9, 2007	3,307,111
"Bunny Buffet"	(Words Only)	December 18, 2007	3,355,842
	(Logo)	March 8, 2011	3,927,496
	(Logo)	February 21, 2012	4,101,382

We also consider Our trade dress, i.e., elements of the Learning Express store fixtures, signage, and style, inherently and uniquely distinctive and protectable under applicable law.

You must follow Our rules when You use these Trademarks. You may only use these Trademarks in the manner We authorize. You cannot use the Trademarks as part of a business entity name or with modifying words, designs or symbols except for those which We license to You. You may not use the Trademarks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by Us.

No third party agreements limit Our right to use or license the use of the above Trademarks.

In the event that a Conversion Store owns a separate trademark, Your intellectual property, You will be required to show evidence that You have exclusive rights to the intellectual property, and You must grant Us rights to Your intellectual property including trademark, copyrights, the store name, store logo and store marketing materials ("Conversion Store Intellectual Property") and You must indemnify Us of for any claims to Our use of Conversion Store Intellectual Property. (Conversion Addendum Section_2)

You must notify Us immediately when You learn about an infringement of, or challenge to Your use of Our Trademarks. We have no affirmative obligation to preserve and protect the ownership and validity of Our trademarks. However, We will take the action We think is appropriate and have the right to control any administrative proceedings or litigation involving a trademark licensed by Us to You. While We are not

required to defend You against a claim against Your use of Our Trademarks, We will reimburse You for Your liability and reasonable costs in connection with defending the Trademarks. To receive a reimbursement, You must have notified Us immediately when You learned about the infringement or challenge.

You must modify or discontinue the use of a Trademark if We modify or discontinue it. If this happens, We will not reimburse You for Your costs of compliance, including for example, the changing of signage and other trademarked materials. You must not directly or indirectly contest Our right to the Trademarks, trade secrets or business techniques that are part of Our business.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, any state trademark administrator or any court involving a pending infringement, opposition or cancellation proceeding nor is there any pending material litigation involving the principal Trademarks.

We do not know of any infringing uses that could materially affect Your use of the Trademarks.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to Your Local Store Franchise. We claim copyright protection in advertisement and promotional materials, although these materials have not been registered with the United States Registrar of Copyrights. These materials are considered proprietary and confidential and are considered Our property and may be used by You only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit Our right to use or license the copyrighted materials. There are no infringing uses actually known to Us which could materially affect Your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

You must treat the Manuals, any other Manuals created for or approved for use in the operation of Your Local Store Franchise, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, or make them available to any unauthorized person. The Manuals will remain Our sole property. Currently, We make the Manuals available to You through the Learning Express Intranet, but that method may change as technology evolves.

We may revise the contents of the Manuals, and You must comply with each new or changed System Standard. In the event of any disputes as to the contents of the Manuals, the terms of the master copy maintained by Us at Our Home Office will be controlling. The Manuals were most recently updated in 2019.

We will disclose to You certain confidential or proprietary information and trade secrets. Except as is necessary for the operation of the Local Store Franchise and as We approve, You may not, during the term or at any time after the expiration or termination of the Franchise Agreement, regardless of the cause of termination, directly or indirectly, use for Your own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, vendor lists, negotiated terms, confidential information, knowledge or know-how concerning the services, advertising, marketing, designs, plans, or methods of operation of Learning Express. You may disclose to Your employees only that confidential, proprietary or trade secret information as is necessary to operate the business and then only while the Franchise Agreement is in effect. Any and all information, knowledge, or know-how, including, materials,

equipment, marketing, and other data, which We designate as secret or confidential will be deemed secret and confidential for purposes of the Franchise Agreement. The Learning Express Intranet is a confidential resource and usernames and passwords provided must be kept protected at all times.

You must also promptly tell Us when You learn about an unauthorized use of Our proprietary information. We are not obligated to take any action, but will respond as We deem appropriate. We will indemnify You for any losses You incur as the result of the actions of a third party concerning Your use of any of this information.

We require Your managers, agents, independent contractors, officers, directors and owners, or any entity having an interest in the Franchise to sign Our then current form of Confidentiality Agreement and Covenants Not to Compete, a sample of which is attached as Addendum C to the Franchise Agreement. We require Your employees to sign Our then current form of Confidentiality Agreement, a sample of which is attached as Addendum D to the Franchise Agreement.

You may compile and maintain customer lists for Your Franchised Business, however, all customer lists are Our property and may only be used for the normal conduct of the Franchised Business during the term of the Franchise Agreement. You must transfer them to Us on the expiration, termination, repurchase or transfer of Your franchise, at Your expense. You must sign an authorization that grants Us the right to acquire all customer lists upon expiration, termination, repurchase or transfer of Your franchise. This Customer List Agreement appears as Addendum H to the Franchise Agreement.

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

Management structure is a crucial element in the operation of a Learning Express business. Your franchised store must always be under direct full-time supervision of You or Your fully-trained manager.

If You own more than one Local Store Franchise, You will be expected to oversee all of the Local Store Franchises, each of which must be managed by a full-time manager who has attended the Learning Express New Owner Training. Each manager will be required to sign a written agreement to maintain confidentiality of the trade secrets and to conform to the covenants not to compete described in Section 15.1 of the Franchise Agreement. You agree to be open for business the recommended minimum standard store hours or as defined by Your lease or municipal guidelines. You may be obligated to maintain longer hours of operation if Your location requires common hours of operation among all tenants. Furthermore, You should plan to operate with extended hours during the holidays. Your store hours must always accommodate the needs of Your customers and maximize Your opportunity for sales.

The manager need not have an ownership interest in the Local Store Franchise. You are responsible for ongoing training of Your manager(s). There are no limitations on who You can hire as a manager.

Each individual who has a 5% or greater ownership interest in the entity that owns the Local Store Franchise must sign Our Guaranty of Performance, which is Addendum B to the Franchise Agreement, assuming and agreeing to discharge all obligations of the “Franchisee” under the Franchise Agreement and Our Confidentiality Agreement and Covenants Not to Compete, which is Addendum C to the Franchise Agreement. We also require that your spouse or domestic partner sign Our Guaranty of Performance and a Non-Disclosure and Non-Competition Agreement which is Addendum F to the Franchise Agreement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Franchised Business solely for the operation of a Learning Express Business and must maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate the Franchised Business at its maximum capacity and efficiency. We require You to offer and sell those products that are specifically approved by Us. We have the right to add, delete or change, without limitation, the authorized products and services that You will offer. You will be notified of changes in approved suppliers and inventory through electronic mail or the Learning Express Intranet. You do have the right to add products to Your inventory mix not included in the recommended Buying Program, but only if those products meet Our System Standards for quality, safety, and value. As an independent store owner, You must require all vendors not previously approved by Us to comply with all state and federal toy safety mandated regulations.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section In Franchise Agreement	Summary
i. Length of the franchise term	Section 4.1	10 years, unless terminated earlier
ii. Renewal or extension of the term	Section 4.2	If You meet the conditions, You may enter into two (2) successive 10 year terms
iii. Requirements for franchisee to renew or extend	Section 4.2	Notice, store upgraded to current System Standards, sign a general release, sign then-current franchise agreement which may contain materially different terms and conditions than Your original Franchise Agreement including territory and royalties. All payables to suppliers, vendors and Learning Express must be current.
iv. Termination by franchisee	Not Applicable	Not Applicable
v. Termination by franchisor without cause	Not Applicable	Not Applicable
vi. Termination by franchisor with cause	Sections 13.1, 13.2	Include failure to pay, file reports, or comply operationally, unauthorized transfer, insolvency, abandonment, maintaining false books, repeated defaults, and felony conviction

vii. "Cause" defined – curable defaults	Section 13.2	Include failure to pay, file reports, or do not comply operationally or otherwise with the System Standards
viii. "Cause" defined – non-curable defaults	Section 13.1	Include insolvency, abandonment, maintaining false books, repeated defaults, and felony conviction.
ix. Franchisee's obligations on termination or non-renewal	Section 14.1	Pay royalties through termination, vendor payments, store transfer merchandise, outstanding gift card liabilities, rents, cease use of trademarks, return of proprietary information, place signage in window, and reimburse Us for Our costs to enforce Your de-identification obligations. Allow Us to notify vendors of store closing and email customers territory is available.
x. Assignment of contract by franchisor	Section 11.1	Freely assignable
xi. "Transfer" by franchisee – definition	Section 11.2	Sale, assignment, transfer, mortgage, pledge
xii. Franchisor's approval of transfer by franchisee	Section 11.2	Transferee has financial resources, background, etc.
xiii. Conditions for franchisor approval of transfer	Section 11.2	Pay the Transfer Fee if applicable and upgrade the store to convert to current System Standards. Under no circumstances may You transfer any assets including, inventory, fixtures, or lease to an entity intending to operate a retail toy store at the franchise location without first ensuring that the proposed transferee has signed a Learning Express franchise agreement.
xiv. Franchisor's right of first refusal to acquire franchisee's business	Section 11.2A	10 days on same terms as bona fide offer.
xv. Franchisor's option to purchase franchisee's business	Section 11.2A	At Our option, sell Us equipment, fixtures, usable inventory at fair market value as determined by Us.
xvi. Death or disability of franchisee	Section 11.2D	Timely transfer -immediately following Your death or permanent incapacity You or Your estate may assign the

		Franchised Business to a member of Your immediate family approved by Us. Your heirs shall also have the right to sell the Franchised Business, provided that We will have the right to purchase at a "Buy-Out Price" determined by third party appraisers.
xvii. Non-competition covenants during the term of the franchise	Section 15.1	2 years in retail or wholesale toy business located within 40 mile radius of any Learning Express store.
xviii. Non-competition covenants after the franchise is terminated or expires	Section 15.1	2 years in retail or wholesale toy business located within 40 miles of any Learning Express store.
xix. Modification of the agreement	Section 16.3	Only by agreement by both parties
xx. Integration/merger clause	Section 16.2	Covers Agreement, including attachments. Nothing in the Agreement or any related agreements is intended to disclaim representations made in the franchise Disclosure Document.
xxi. Dispute resolution by arbitration or mediation	Section 16.6	Non-binding mediation for most disputes
xxii. Choice of forum	Section 16.7	State or federal court in Massachusetts (1) (Subject to applicable state laws)
xxiii. Choice of law	Section 16.7	Massachusetts law (1) (Subject to applicable state laws)

ITEM 18: PUBLIC FIGURES

We do not currently use any public figure to promote Our Local Store Franchise but reserve the right to do so at Our sole discretion.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC 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 that You are considering buying; or (2) a franchisor supplements the

information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We are reporting only on those businesses open one full-year or more and are comparable in size and scope to the offer described in this Disclosure Agreement. Of the 103 Stores operating on December 31, 2019, we are reporting on 100 Stores. The Learning Express location in Fremont, Nebraska is a fractional franchise operating as a toy department within a drug store, therefore is not included below.

The average sales for all stores are as follows:

		2017	2018	2019
Average Sales		$897,089	$788,693	$730,180
Number of Stores		108	101	100
Number of Stores Surpassing Average		38	42	41
Percentage of Stores Surpassing Average		35%	42%	41%

Average Annual Sales Revenue is the total Annual Sales Revenue for the Stores in the sample, divided by the number of Stores in the sample. The Annual Sale Revenue ranges from $1,517,511.48 to $98,960.23.

		2017	2018	2019
Median Sales		$817,549	$738,541	$651,360
Number of Stores		108	101	100
Number of Stores Sales Above Median		59	51	50
Number of Stores Sales Below Median		59	50	50

Median Annual Sales Revenue is the Annual Sales Revenue figure for which one-half of the sample had Gross Revenue greater than this figure, and one-half of the sample had less than the figure.

Of the 103 Stores operating on December 31, 2019, We had 16 multiple Store Owners operating 40 Stores in Our system.

Of the 103 Stores operating on December 31, 2019, there were 6 Satellite Stores located within the same designated territory as their Mother store.

It is the nature of the toy industry where some year's sales fluctuate dramatically year over year due to the availability of certain products that are in high demand by the consumer (fads, hot toys).

We generally sell product at double the cost. However, there are products where we take less of a mark up to insure we are competitively priced in the market. In addition, there are products where we take more of a markup as the local market allows.

Some stores have sold this amount. Your individual results may differ. There is no assurance you'll sell as much. The above figures were calculated based upon information reported to Us by franchisees in their monthly sales reports. Accordingly, the above figures have not been audited.

The above figures do not reflect the costs of sales, operating expenses or other costs and expenses that must be deducted from the gross revenue or gross receipt 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 Learning Express Store.

Written substantiation of the data used in preparing the earnings claim will be made available to You upon reasonable request.

Other than the preceding financial performance representation, Learning Express does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize Our employees or representatives to make any representations either orally or in writing. If You are purchasing an existing outlet, however, we may provide You with the actual records of that outlet. If You receive any other financial performance information or projections of Your future income, You should report it to the franchisor's management by contacting our Chief Executive Officer, Sharon J. DiMinico, Learning Express, Inc., 29 Buena Vista Street, Devens, Massachusetts 01434-5026; Telephone: 978-889-1000, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table 1

System-Wide Outlet Summary For Years 2017 – 2019

(Column 1) Outlet Type	(Column 2) Year	(Column 3) Outlets at the Start Of the Year	(Column 4) Outlets at the End Of The Year *	(Column 5) Net Change
Franchised	2017 2018 2019	120 112 109	112 109 101	-8 -3 -8
Company Owned**	2017 2018 2019	1 2 2	2 2 2	+1 0 0

Total Outlets	2017 2018 2019	121 114 111	114 111 103	-7 -3 -8

* All numbers are as of December 31 for each year.

** We do not operate any Company-Owned outlets. The Company-owned Outlets reflected in the above chart are owned and operated by our Affiliate, described in Item 1.

Table 2

Transfers of Outlets From Franchisees to New Owners (Other Than The Franchisor) For Years 2017 – 2019

Number of Transfers

(Column 1) State	(Column 2) Year	(Column 3) Number of Transfers
California	2017 2018 2019	1 0 0
Colorado	2017 2018 2019	1 0 0
Georgia	2017 2018 2019	0 1 0
Massachusetts	2017 2018 2019	1 1 0
New Jersey	2017 2018 2019	0 0 1
North Carolina	2017 2018 2019	1 0 0
Pennsylvania	2017 2018 2019	0 0 1
Tennessee	2017 2018 2019	2 0 0
Texas	2017 2018 2019	0 0 1
Total	**2017** **2018** **2019**	**6** **2** **3**

Table 3

Status of Franchised Outlets For Years 2017 – 2019

(Col. 1) State	(Col. 2) Year	(Col. 3) Outlets at Start of Year	(Col. 4) Outlets Opened	(Col. 5) Termin-ations	(Col. 6) Non-Renewals	(Col. 7) Reacquired by Franchisor	(Col. 8) Ceased Operations – Other Reasons	(Col. 9) Outlets at End of Year *
Alabama	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
California	2017	6	0	0	0	0	1	5
	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
Colorado	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Connecticut	2017	1	0	0	0	0	2	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Delaware	2017	2	1	0	0	0	2	1
	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0
Florida	2017	14	0	0	0	0	1	13
	2018	13	2	0	0	0	2	13
	2019	13	0	0	0	0	4	9
Georgia	2017	5	0	0	0	0	1	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Illinois	2017	7	0	0	0	0	0	7
	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
Kentucky	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Louisiana	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Massachusetts	2017	10	0	0	0	1	0	9
	2018	9	1	0	0	0	0	10
	2019	10	0	0	0	0	1	9
Michigan	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1

(Col. 1) State	(Col. 2) Year	(Col. 3) Outlets at Start of Year	(Col. 4) Outlets Opened	(Col. 5) Termin-ations	(Col. 6) Non-Renewals	(Col. 7) Reacquired by Franchisor	(Col. 8) Ceased Operations – Other Reasons	(Col. 9) Outlets at End of Year *
Nebraska	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Nevada	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
New Jersey	2017	10	0	0	0	0	0	10
	2018	10	0	0	0	0	2	8
	2019	8	1	0	0	0	1	8
New Mexico	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
New York	2017	4	0	0	0	0	1	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
North Carolina	2017	6	0	0	0	0	0	6
	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	1	5
Ohio	2017	9	0	0	0	0	0	9
	2018	9	0	0	0	0	0	9
	2019	9	0	0	0	0	1	8
Oklahoma	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Oregon	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Pennsylvania	2017	14	0	0	0	0	2	12
	2018	12	1	0	0	0	1	12
	2019	12	0	0	0	0	2	10
South Carolina	2017	3	0	0	0	0	2	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Tennessee	2017	2	1	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Texas	2017	9	1	0	0	0	1	9
	2018	9	1	0	0	0	0	10
	2019	10	1	0	0	0	0	11
Utah	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0

(Col. 1) State	(Col. 2) Year	(Col. 3) Outlets at Start of Year	(Col. 4) Outlets Opened	(Col. 5) Termin-ations	(Col. 6) Non-Renewals	(Col. 7) Reacquired by Franchisor	(Col. 8) Ceased Operations – Other Reasons	(Col. 9) Outlets at End of Year *
Washington	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Wisconsin	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	1	1
	2019	1	0	0	0	0	0	1
Totals	**2017**	**120**	**4**	**0**	**0**	**1**	**11**	**112**
	2018	**112**	**5**	**0**	**0**	**0**	**8**	**109**
	2019	**109**	**2**	**0**	**0**	**0**	**10**	**101**

* All numbers are as of December 31 for each year.

Table 4

Status of Company-Owned Outlets for Years 2017 to 2019

(Col. 1) State	(Col. 2) Year	(Col. 3) Outlets at Start of the Year	(Col. 4) Outlets Opened	(Col. 5) Outlets Reacquired From Franchisees	(Col. 6) Outlets Closed	(Col. 7) Outlets Sold to Franchisees	(Col. 8) Outlets at End of the Year *
Massachusetts	2017	1	0	1	0	0	2
	2018	2	1	0	0	1	2
	2019	2	0	0	0	0	2
Totals	2017	1	0	1	0	0	2
	2018	2	1	0	0	1	2
	2019	2	1	0	0	1	2

*All numbers are as of December 31 for each year.

** We do not operate any Company-Owned outlets. The Company-owned Outlets reflected in the above chart are owned and operated by our Affiliates, described in Item 1.

Table 5

Projected New Franchised Outlets as of December 31, 2019

(Column 1) State	(Column 2) Franchise Agreements Signed But Outlet Not Opened	(Column 3) Projected New Franchised Outlet in Next Fiscal Year	(Column 4) Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
Texas	0	1	0
Virginia	0	1	0
Total	**0**	**3**	**0**

A list of Our Local Store franchisees appears as Exhibit F.

The name, last known address and telephone number of those Local Store Franchisees who have been terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Local Store Franchise Agreement during the most recently completed fiscal year or has not communicated with Us within 10 weeks of the date of issuance of this Disclosure Document appears in Exhibit F.

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

Our franchise agreements have confidentiality clauses which prevent current and former franchisees from disclosing proprietary information regarding Our system. However, during the last three fiscal years, We have not signed any other agreements that contain confidentiality clauses with current or former franchisees.

You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with You.

Other than the Learning Express Franchise Advisory Council and the Learning Express Marketing Advisory Committee located at 29 Buena Vista Street, Devens, Massachusetts, 01434 (no web or e-mail address), We have not created, sponsored or endorsed any other trademark specific franchisee organization nor have any independent franchisee organizations asked to be included in this Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

The audited financial statements for the fiscal years ended December 31, 2019, 2018 and 2017 are attached as Exhibit G. These financial statements are prepared in accordance with generally accepted accounting principles by an independent auditor. Our fiscal year ends December 31.

ITEM 22: CONTRACTS

Attached, as Exhibit J, you will find a copy of the Learning Express Local Store Franchise Agreement, with the Addenda.

ITEM 23: RECEIPT

The last page of this Disclosure Document is a receipt in duplicate for this Disclosure Document (and certain other documents) to be signed by You as a prospective franchisee.

Exhibit A: List Of Administrators/Agents For Service Of Process

List of State Agencies/Agents for Service of Process

Our registered agent in the State of Massachusetts is:

Sharon J. DiMinico
Founder and Chief Executive Officer
Learning Express, Inc.
29 Buena Vista Street
Devens, Massachusetts 01434-5026

STATE	AGENCY	PROCESS, IF DIFFERENT
California	Commissioner of Business Oversight Telephone No: 1-866-ask-corp Los Angeles 320 West 4th Street Suite 750 Los Angeles, CA 90013 Sacramento 1515 K Street, South Suite 200 Sacramento, CA 95813-4052 San Diego 1350 Front Street San Diego, CA 92101 San Francisco 1 Sansome Street Suite 600 San Francisco, CA 94104	
Hawaii	Securities Examiner 1010 Richards Street Honolulu, HI 96813	Securities Examiner 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62706	
Indiana	Franchise Section Indiana Securities Division Secretary of State, Room E-111 302 W. Washington Street Indianapolis, IN 46204	Administrative Office of the Secretary of State 201 State House Indianapolis, Indiana 46204
Maryland	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021	Maryland Securities Commissioner 200 St. Paul Place Baltimore Maryland 21202-2021

STATE	AGENCY	PROCESS, IF DIFFERENT
Michigan	Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 G. Mennen Williams Building 525 West. Ottawa Lansing, MI 48933	
Minnesota	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101	
New York	New York State Department of Law Bureau of Investor Protection and Securities 28 Liberty Street, 21st Floor New York, NY 10005	Secretary of State State of New York One Commerce Plaza 99 Washington Avenue Albany, NY 12231
North Dakota	Office of Securities Commissioner 600 East Boulevard State Capital 5th Floor Bismarck, ND 58505	North Dakota Securities Department 600 East Boulevard Avenue State Capital 5th Floor Dept. 414 Bismarck, ND 58505-0510
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310	
Rhode Island	Division of Securities Department of Business Regulations Bldg. 69, 1st Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920	
South Dakota	Department of Labor and Regulation Division of Securities 124 S. Euclid Ste. 104 Pierre, SD 57501	
Virginia	Ronald W. Thomas, Administrator State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219	Clerk State Corporation Commission 1300 East Main Street Richmond, VA 23219

STATE	AGENCY	PROCESS, IF DIFFERENT
Washington	Director of Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Director of Dept. of Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Securities and Franchise Registration Division of Securities 4th Floor 345 W. Washington Avenue Madison, WI 53703	

Exhibit B: Regional Franchise Owner and Territory Development and Support Backgrounds

Item 2: Business Experience

Regional Franchise Owner Information

Steven P. Kessel
Toy People, Inc.
44 Cross Hill Road
Newton, MA 02459
(617) 921-2591 office and cell

Since 1995, Mr. Kessel has been President of Toy People, Inc., and the Regional Franchise Owner for Alabama, Delaware, Florida, Pennsylvania, Rhode Island and Southern New Jersey. As former President of Learning Express Square One, Inc. he owned and operated a Learning Express store from 1994-2004.

Territory Development and Support

Richard Derr
Kids Point, Inc.
315 S. Rand Road
Lake Zurich, Illinois 60047
(847) 540-4566

Mr. Derr serves as the provider of Territory Development and Support for Illinois, Iowa, Minnesota, and Wisconsin. As President of Kids Point, Inc., he has also owned and operated a Learning Express store in Lake Zurich, Illinois, since 1996.

Item 3: Litigation

No litigation is required to be disclosed about any of the foregoing Regional Franchise Owners or providers of Territory Development and Support.

Item 4: Bankruptcy

No bankruptcy information is required to be disclosed in this Disclosure Document.

Exhibit C: Reservation Agreement

Reservation Agreement

Date: _____

Name _____ Store # _____

Street _____

City, State, Zip _____

Learning Express, Inc. ("Learning Express") hereby accepts the sum of Five Thousand dollars ($5,000.00) from _____ ("me" or "I") as a reservation fee to be applied against the total fee of Thirty Five Thousand dollars ($35,000.00) for the purchase of a Learning Express retail outlet to be operated in the Market Area of: _____.

I acknowledge and agree that in order to be approved as a Learning Express Franchisee, I must satisfy the standards established for new franchisees, must demonstrate the requisite character, creditworthiness, and must meet certain minimum financial requirements, as validated in a Final Funding Plan. I acknowledge that the payment of the Reservation Fee submitted does not insure acceptance of me by Learning Express as a Learning Express franchisee.

As approved by Learning Express as a franchisee, then this Five Thousand dollars ($5,000.00) Reservation Fee will be applied in full toward the non-refundable initial franchise fee. If I determine that I shall not become a franchisee prior to signing the Learning Express Local Store Franchise Agreement ("Franchise Agreement") or if I cannot locate a site agreeable to both parties, then this Reservation Fee will be refundable. In that event, I will execute and deliver to Learning Express, general releases of any and all claims I may have against Learning Express and its affiliates, and the respective officers, directors, employees and agents of Learning Express its affiliates and the Regional Franchise Owner (as defined below), in form and substance satisfactory to Learning Express.

I understand that upon execution of this Reservation Agreement, payment of my Five Thousand dollars ($5,000.00) Reservation Fee, and submission of a Preliminary Funding Plan, Learning Express or the local Learning Express services provider (the "Regional Franchise Owner"), will assist me with site selection and lease negotiations, although I alone will assume the ultimate responsibility for the site selected, as well as the negotiations of my lease. I must seek the acceptance from Learning Express for the proposed location before I sign any lease or otherwise obligate myself to a landlord. In furnishing acceptance, Learning Express will consider general location and immediate surroundings, market demographic characteristics, traffic patterns, visibility, size, layout, rental and lease terms, competition and growth trends in the area. I must furnish Learning Express with a copy of the proposed lease and an outline of the lease's key business terms. Once I have signed the lease, I must furnish Learning Express with a fully executed copy. Learning Express' acceptance of a site does not constitute a representation or warranty that the location will be profitable or that my sales will attain any predetermined levels. Acceptance is intended only to indicate that the proposed site meets the minimum criteria for identifying sites. I agree that Learning Express' acceptance or refusal to accept a proposed site will not impose any liability or obligation on Learning Express.

I understand that I must undertake site selection activities immediately upon execution of this Reservation Agreement and will have one hundred eighty (180) days from the date of execution of this Reservation Agreement to secure a location which has been accepted by Learning Express. If I fail or refuse to enter into a lease for an accepted location within the one hundred eighty (180) day period, then upon notice from

Learning Express, this Reservation Agreement will then terminate and I will have no further rights to become a Learning Express franchisee. The one hundred eighty (180) day period to secure an accepted site may only be extended by mutual consent.

Learning Express will refund the Reservation Fee in the event that Learning Express has a prospect interested in the Market Area and I have not actively pursued a location in the Market Area defined in this Reservation Agreement.

I understand that in no event will Learning Express or the Regional Franchise Owner assume in any manner or otherwise be responsible for my lease. Learning Express will not guarantee, co-sign or in any other way guarantee performance of any lease.

I hereby acknowledge that I have received the Learning Express Disclosure Document at least fourteen (14) days prior to the date on which this Reservation Agreement is executed, and that I have received a copy of this Reservation Agreement containing an acknowledgment of receipt of the Five Thousand dollars ($5,000.00) Reservation Fee.

Signature: _____

Name: _____

Date: _____

Receipt of Five Thousand dollars ($5,000.00) is acknowledged:

Learning Express, Inc.

By: _____ Date:_____

Authorized Officer or Agent

Exhibit D: Funding Plan

As stated in Item 7 of the Franchise Disclosure Document (FDD), Your Franchise Store Location will require adequate funding. Please estimate below the sources that You will use to fund Your Learning Express Location.

This Funding Plan is:

☐ Preliminary (Documentation not required)
☐ Final (Documentation is required to verify fund sources)

Funding Sources (Liabilities)	Amount	Documentation Attached
Short-Term: Line of Credit	$	☐
Short-Term: Loan	$	☐
Long-Term: Loan (Family or Friends)	$	☐
Long-Term: Loan (401(k) or IRA)	$	☐
Long-Term: Loan (Bank, Small Business Loan, etc.)	$	☐
Total Liabilities	**$**	

Funding Sources (Owner's Equity)	Amount	Documentation Attached
Cash (Checking or Savings)	$	☐
Cash (Short-Term Investments)	$	☐
Cash (Family or Friends)	$	☐
Cash (other)	$	☐
Total Owner's Equity	**$**	

Total Funds (Liabilities + Owners Equity)	**$**
Debt-to-Worth Ratio (Liabilities/Owner's Equity)	

Location: _____

Print Name: _____

Signature: _____

Date: _____

CORPORATE USE ONLY: Plan Approved: _____ (Contracts)
Shred documentation following verification.

Exhibit E: Local Store Confidential Manuals Table of Contents

Total Number of Pages 1570

Store Operations Manual – Number of Pages 592

Table of Contents

Part 1

Section 1 – General Information – Total Pages 26

Mission Statement
The LE Way
Learning Express Return Policy
Advertising Guidelines
Internet Advertising Guidelines
Inter-Store Billing Policies
Closed Store Billing Policies
Minimum Guidelines
Store Support Guidelines
Insurance Requirements
CounterPoint Enhancement Fee

Section 2 – Resources – Total Pages 141
Front Register Book
Back Room Book
eCards and Distribution Report Reconciliation
eCards and End of Day Report Reconciliation

Section 3 - Special Topics – Total Pages 20
Merchandise Credits Using Gift Cards
Opening & Streamlined Closing Process
Go to NERD U!

Section 4 - Human Resources – Total Pages 107
Hiring
Staffing
Training
Job Descriptions
New Store On-Site Staff Training
Role Play Questions
Managements Skills
Time Management
Loss Prevention & Safety
User Setup
Timecards

Section 5 - Sales Floor – Total Pages 12
In-Store Music
Daily Operating Schedule

Section 6 – Inventory – Total Pages 7
Adding Pop-up Notes to Items
Adjusting Inventory
Damaged Inventory
Viewing Item History
Run a Negative Quantity on Hand Report

Section 7 – Marketing – Total Pages 3
10 Store Marketing Essentials

Forms and Files

Part 2
Forms – Total Pages 23
Employment Application
Current W-4
Current I-9
Staff Schedule
Other Forms:
Invoice Adjustment Form
Criminal Background Check
Daily checklist
Damaged return - 4 to a page
Personalization Form
Phone Orders
Return to Vendor Form
Special Order - 4 to a page
Special Order Log
UPS Form for In-store Purchases
VIP Card Billing Worksheet

I: Drive Manuals – Total Pages 253
Training & Incentives
Recruiting & Hiring
Staffing & Scheduling
Operations
- Policies & Guidelines
- Support & Training
- Systems
- Owner Responsibilities
- Supplies & Service Providers

CounterPoint Manual – Number of pages 681

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Newer CP Features through v7.518

Section 1 - General CounterPoint Info - Total Pages 12
Accessing the QuickRun Menu
Changing History View
Open CP Files in Excel
Using the <f9> Search Feature

Section 2 - Point of Sale – Total Pages 72
Adding Barcodes on the Fly at POS
Adding Customers
Changing Receipt Printer Messages
Changing Which End of Day Reports Print
Creating Coupon Items
Discounting Tickets
Manager Override
Override Storewide Discount
Overview of Panel Functions
Post
Processing Gift Cards with the Virtual Terminal
Processing Gift Cards with the Verifone Machine
Redeeming Coupons & Reporting on Redemptions
Register Readings
Registries (Birthday Boxes)
Returns, Damaged Returns, Store Credits and Store Credit Report
Sales Tax Holiday
Special Orders
Store Credits
Streamlined Closing
Telephone and UPS Orders
Ticket Entry Overview
Wish Lists and Wish List Report

Section 3 – Inventory – Total Pages 85
Adding Storage Locations
Adding Popup Notes to Items
Adjustments
Conducting Physical Inventory
Creating New Items
Freeing Trapped Barcodes
Generating Sale Prices
Group Item Changes
I Have No Items!
Inventory Aging
Item Recalls

Make a List of Items OH with no Barcode
Purge Inactive Items
Sale Prices
Understanding all the Cost Fields in CounterPoint
Valuation Report

Section 4 – Customers – Total Pages 10
Display Customer e-mail Address at POS
Finding Percentage of Valued Customer Tickets
Generate e-mail Address list
Generate CSV Customer List
Tickets with Customer Names

Section 5 – Buying – Total Pages 19
Never Out List
Quick Receivings
Receive Without PO

Section 6 – Labels – Total Pages 7
Compare Price Labels
Printing Labels

Section 7 - Sales History – Total Pages 10
By Tax Code
Management Reports By (User, Payment, and Category)
Sales Analysis By (Item-Period Report, Customer by Item, Customer)
Sales History By (Item Category, Inventory, Store, Vendor, Customer)

Section 8 – Timecards – Total Pages 15
Clock-In
Clock-Out
Timecards > (all menu options)

Section 9 – Accounting – Total Pages 3
Distribution Report

Section 10 – System – Total Pages 18
EMV Reconciliation Report
Group Report Archive
Log in As Another User
Notes Purge Process
Spooled Reports
Year-End Close

Section 11 – Setup – Total Pages 23
Account Codes
Calendars

End of Day Posting Reports Setup
Label Codes
Locations
Menu Definitions (Adding or Changing)
Pay Codes
Users

Section 12 - File Utilities – Total Pages 15
Exporting A File
Importing a file (Restoring from Export)
Rebuild Item Keywords
Remove Lines Without Headers
Renumber (Merging) Items

Section 13 - Corporate Update – Total Pages 5
Corporate Update

Section 14 - Learning Express Reports – Total Pages 16
Birthday Profile Extract
Blank Purchase Order Report
Customer by Sales Extract
End of Day Restocking Report
Hourly Restock Report
Item Sales YTD
Six Week Item History
Target Customer Extract

Section 15 - Special Topics – Total Pages 32
End of Year Procedures
Fundraisers

I:Drive Manuals – Total Pages 339
Point of Sale – Staff
Point of Sale – Owner
Multi Store
File Utilities
Customer Reports and Lists

MARKETING REFERENCE
Table of Contents – Total Number of Pages – 44
Brand Standards
Marketing Manual
Pricing Strategy

GRAND OPENING MANUAL
No Table of Contents – Total Number of Pages - 42

TEMP STORE PLANNING
No Table of Contents – Total Number of Pages – 22

STORE OPENING, MOVE, CLOSE, SALE
No Table of Contents – Total Number of Pages – 24

WEB SERVICES MANUAL
Table of Contents – Total Number of Pages – 74
Store Web Panel
Updating Store Pages
E-commerce Rules/Regs
E-Commerce Item List
E-commerce Training
E-com Fulfilment Checklist
E-com Setup Checklist
E-Commerce Stats
In Store Pick Up Info

STRATEGIC PLAN
No Table of Contents – Total Number of Pages – 21

TOY SAFETY
No Table of Contents – Total Number of Pages – 21

STAFF MOTIVATION
Table of Contents – Total Number of Pages – 49
Bingo Cards
Toy Expert Certificate
Toy Expert Workbook PDF - DOC
Employee Handbook
Training Checklist

Exhibit F: Rosters of Franchisees

ALABAMA		
CAHABA HEIGHTS Mike and Melissa McCollum	3132 Heights Village Vestavia Hills, AL 35243	(205) 970-9710 Grand Opening 9/28/2007
HUNTSVILLE Rebecca and Willy Vergara	Village on Whitesburg 4800 Whitesburg Drive SE Suite 31 Huntsville, AL 35802	(256) 881-8855 Grand Opening 3/13/2015
CALIFORNIA		
LAFAYETTE Cindy Al Mashat	3568 Mt. Diablo Blvd. Lafayette, CA 94549	(925) 385-7135 Grand Opening 11/21/2014
ROSEVILLE Suchitha Chetia, Sweeta and Sukesh Belenje	Rocky Ridge Town Center 2030 Douglas Road Suite 25 Roseville, CA 95661	(916) 783-6310 Grand Opening 10/11/1996 Transfer Date 4/30/2017
SAN JOSE EL PASEO Suchitha Chetia and Sweeta Belenje	Westgate Mall 1600 Saratoga Ave. San Jose, CA 95129	(408) 871-0499 Grand Opening 7/10/1997 Transfer Date: 10/12/2015
SAN RAMON Brad Kerstetter and Nancy Blom	The Marketplace at San Ramon 136 Market Place San Ramon, CA 94583	(925) 830-8697 Grand Opening 11/11/2011
SUNNYVALE Sangeeta and Vishal Anand	781 E. El Camino Real #200 Sunnyvale, CA 94087	(408) 685-2424 Grand Opening 11/18/2016
COLORADO		
FT. COLLINS Brinda Gupta Choquette	4357 Corbett Drive Suite 100 Ft. Collins, CO 80525	(970) 282-6501 Grand Opening 11/27/1998 Transfer Date 7/24/2017
CONNECTICUT		
THE TOY CHEST Marilyn Caruso	973 Farmington Avenue West Hartford, CT 06107	(860) 233-5559 Grand Opening 11/6/1989
FLORIDA		
AVENTURA Isaac Bendrao, Valerie Zafrany, Ionathan Brief and Miriam Merenfeld	Promenade Shops 20335 Biscayne Blvd. L-15 Aventura, FL 33180	(305) 931-8085 Grand Opening 11/17/2010
BOCA RATON Marc and Pattie Monroe	3013 Yamato Road Suite B-18 Boca Raton, FL 33434	(561) 995-0055 Grand Opening 12/31/2010
CITRUS PARK Kristopher and Stefanie Dunlop	7814 Citrus Park Town Center Mall Tampa, FL 33625	(813) 926-9380 Grand Opening 9/20/2013

KENDALL Catherina Bartel	The Palms at Town & Country Plaza 8210 Mills Drive Kendall, FL 33183	(305) 270-1699 Grand Opening 10/5/2018
PALM BEACH GARDENS James Arpe	Garden Square Shoppes 10941 N. Military Trail Palm Beach Gardens, FL 33410	(561) 799-2869 Grand Opening 10/15/1999
PINECREST Catherina Bartel	9529 S. Dixie Highway Pinecrest, FL 33156	(305) 663-8699 Grand Opening 10/20/2010
SOUTH TAMPA Susan Foster	Carriage Trade Plaza 1910 S. Dale Mabry Highway Tampa, FL 33629	(813) 250-6200 Grand Opening 11/24/2006
UNIVERSITY PARK Chris and Pam Stolz	8451 Cooper Creek Blvd. University Park, FL 34201	(941) 351-5556 Grand Opening 5/30/2014
WEST BOCA Marc and Pattie Monroe	20449 State Route 7 Suite A-3 Boca Raton, FL 33498	(561) 961-0820 Grand Opening 11/9/2018
GEORGIA		
ALPHARETTA Malcolm and Cindy O'Hara	7300 North Point Parkway Suite 112 Alpharetta, GA 30022	(770) 741-1523 Grand Opening 11/5/1999
ATLANTA BUCKHEAD James and Alina O'Neal	Roswell-Wieuca Shopping Center 4407 Roswell Road Atlanta, GA 30342	(404) 252-8881 Grand Opening 6/8/2007
EAST COBB MARIETTA Malcolm and Cindy O'Hara	1401 Johnson Ferry Rd. NE Suite 380 Marietta, GA 30062	(770) 321-3975 Grand Opening 10/19/2007
WOODSTOCK Eric and Kimberly Gomillion	Towne Lake Center 2295 Towne Lake Parkway Suite 136 Woodstock, GA 30189	(770) 517-2766 Grand Opening 9/7/2007 Transfer 12/31/2018
ILLINOIS		
CLARENDON HILLS Noorali and Laurie Kherani	19-21 S. Prospect Ave. Clarendon Hills, IL 60521	(630) 590-5495 Grand Opening 9/27/2012
COUNTRYSIDE Noorali and Laurie Kherani	Countryside Plaza 18 Countryside Plaza Countryside, IL 60525	(708) 352-8697 Grand Opening 11/11/2009
GENEVA COMMONS John and Sarah Flanagan	Geneva Commons 1420 Commons Drive Geneva, IL 60134	(630) 232-8697 Grand Opening 9/25/2009
GLEN ELLYN Randy and Karen Horn	900 Roosevelt Road Glen Ellyn, IL 60137	(630) 942-8574 Grand Opening 3/26/1999

GLENVIEW Noorali and Laurie Kherani	49 Waukegan Road Glenview, IL 60025	(847) 729-8697 Grand Opening 3/27/2015
LAKE ZURICH Rick and Joanne Derr	315 S. Rand Road Lake Zurich, IL 60047	(847) 540-4566 Grand Opening 8/30/1996
NAPERVILLE Jan Zdunek and Ashley Humberstone	2863 W. 95th Street Suite 123 Naperville, IL 60564	(630) 922-3334 Grand Opening 10/10/2003
KENTUCKY		
CRESTVIEW HILLS Kelley Stevens	2812 Town Center Blvd. Crestview Hills, KY 41017	(859) 331-2094 Grand Opening 7/30/2010 Transfer Date 7/31/2015
LOUISVILLE Linda Newhouse and Jan Wijdenes	Eastgate Shopping Center 12619 Shelbyville Road Louisville, KY 40243	(502) 254-7774 Grand Opening 9/11/2015
LOUISIANA		
MANDEVILLE Steve Solomon and Rhonda Folse	The Village Shopping Center 2885 Highway 190 Unit C2-B Mandeville, LA 70471	(985) 231-7780 Grand Opening 11/7/2014 Transfer Date 8/31/2018
METAIRIE Mark and Linda Greenbaum	3300 Severn Ave. Suite C Metairie, LA 70002	(504) 883-8697 Grand Opening 11/12/2004
SHREVEPORT Tracy and Sarah Toups	5804 Line Avenue Shreveport, LA 71106	(318) 865-8697 Grand Opening 11/2/2012 Transfer Date 3/24/2016
MASSACHUSETTS		
ACTON Greg, Paul and Matt Sahagian	250 Great Road Acton, MA	(978) 263-4009 Grand Opening 3/27/1987
BEDFORD Sharon and Louis DiMinico, Lauren and Mike Derse	168 Great Road Bedford, MA 01730	(781) 243-8697 Grand Opening 9/23/2016
BEVERLY Greg Sahagian	53 Dodge Street Beverly, MA 01915	(978) 927-1972 Grand Opening 9/13/1994
BURLINGTON Sharon and Louis DiMinico, Lauren and Mike Derse	Burlington Mall 75 Middlesex Turnpike Burlington, MA 01803	(781) 328-9314 Grand Opening 10/19/2018
FRANKLIN Jane Ellis	Franklin Village Center 80 Franklin Village Drive Franklin, MA 02038	(508) 553-9876 Grand Opening 10/20/2014
LYNNFIELD Greg, Paul and Matt Sahagian	115 Market Street Lynnfield, MA 01940	(781) 334-4330 Grand Opening 10/11/2013
NATICK MALL Richard and Susan Gibson	Natick Mall 1245 Worcester Street Natick, MA 01760	(508) 545-0857 Grand Opening 6/1/2014

NEEDHAM Paul Sahagian	53 Chestnut Street Needham, MA 02492	(781) 444-8650 Grand Opening 9/10/1987
NEWTON Richard and Susan Gibson	1296 Centre Street Newton Centre, MA 02459	(617) 969-2722 Grand Opening 8/15/1992
SUDBURY Greg, Paul and Matt Sahagian	Sudbury Plaza Shopping Center 515 Boston Post Road Sudbury, MA 01776	(978) 443-9526 Grand Opening 4/7/1997
WESTBOROUGH Robert and Stacey Kracinovich	50 East Main Street Unit #5 Westborough, MA 01581	(508) 898-0076 Grand Opening 10/15/2005 Transfer Date 9/1/2018
MICHIGAN		
ANN ARBOR Gary and Molly Fitzpatrick	Westgate Shopping Center 2465 W. Stadium Blvd. Ann Arbor, MI 48103	(734) 997-0707 Grand Opening 12/16/2002
NEBRASKA		
FREMONT Jack Barta and Christy Piti	1612 North Bell Street Fremont, NE 68025	(402) 721-7634 Grand Opening 11/30/2007
OMAHA Pat and Kim Schmiesing	120 Regency Parkway Omaha, NE 68114	(402) 498-8697 Grand Opening 4/4/1997
NEVADA		
RENO Wade and Suzanne Peterson	197 Damonte Ranch Pkwy Suite D Reno, NV 89521	(775) 853-7884 Grand Opening 11/20/2007
NEW JERSEY		
MONTCLAIR Roy and Patrice Sommerhalter	596 Valley Road Upper Montclair, NJ 07043	(973) 746-4020 Grand Opening 10/9/1998
MORRISTOWN Diane Bowser	158 South Street Morristown, NJ 07960	(973) 540-8358 Grand Opening 9/22/2014
OLD BRIDGE Jennifer Schanker	3865 US Highway 9N Old Bridge, NJ 08857	(732) 970-0002 Grand Opening 11/22/2019
SEA GIRT Beth Ann Coombs	Sea Girt Square 2100 Route 35 Sea Girt, NJ 08750	(732) 359-8600 Grand Opening 7/29/2013 Transfer Date 9/13/2019
SHREWSBURY Jennifer Schanker	1055 Broad Street Shrewsbury, NJ 07702	(732) 542-1222 Grand Opening 12/4/2014 Relocated from Holmdel 10/21/2017
STIRLING John and Patricia Murphy	1107 Valley Road Suite 1 Stirling, NJ 07980	(908) 604-9100 Grand Opening 9/25/1998
VERONA Roy and Patrice Sommerhalter	643 Bloomfield Avenue Verona, NJ 07044	(973) 239-2559 Grand Opening 10/5/2007

WESTFIELD Elaine Jordan	104 Quimby Street Westfield, NJ 07090	(908) 233-1381 Grand Opening 10/20/2006
NEW MEXICO		
FARMINGTON Craig Stoabs	3701 Messina Drive Suite 101 Farmington, NM 87402	(505) 278-8234 Grand Opening 5/5/2015
NEW YORK		
NYC UPPER EAST SIDE Alexandra Garcia	1029 3rd Avenue New York, NY 10065	(212) 369-8697 Grand Opening 11/20/2014
RYE BROOK Jim and Cristi Myers	14B Rye Ridge Plaza Rye Brook, NY 10573	(914) 481-1350 Grand Opening 9/12/2009
SCARSDALE Ken Levinsohn and Ellen Strauss	21 Spencer Place Scarsdale, NY 10583	(914) 723-3700 Grand Opening 8/28/1998
NORTH CAROLINA		
CARY W.R. and Tracy Meredith	2020 Kildaire Farm Road Cary, NC 27518	(919) 859-1989 Grand Opening 11/28/1997
DURHAM W.R. and Tracy Meredith	Patterson Place Shopping Center 3604 Witherspoon Blvd. Suite 101 Durham, NC 27707	(919) 401-8480 Grand Opening 10/18/2005
NORTH RALEIGH W.R. and Tracy Meredith	9660 Falls of Neuse Road Suite 130 Raleigh, NC 27615	(919) 848-6262 Grand Opening 9/26/2013
RALEIGH W.R. and Tracy Meredith	4209 Lassiter at North Hills Road #128 Raleigh, NC 27609	(919) 881-4141 Grand Opening 7/1/2010
WILMINGTON-OLEANDER PARK Angela and Mark Fair	Hanover Center 3804 Oleander Drive Wilmington, NC 28403	(910) 313-3100 Grand Opening 10/28/2006 Transfer 7/11/2017
OHIO		
DAYTON Roy and Laurie Eberhard	Cross Pointe Center 101 E. Alex-Bell Road Suite 150 Dayton, OH 45459	(937) 436-3320 Grand Opening 11/1/1996
MAUMEE Gary and Molly Fitzpatrick	Fallen Timbers 3100 Main Street #1350 Maumee, OH 43537	(419) 878-2446 Grand Opening 10/26/2007
NEW ALBANY Todd and Connie Jacob	180 F Market Street New Albany, OH 43054	(614) 933-0333 Grand Opening 10/5/2001

STRONGSVILLE Rick Diefenderfer	70 South Park Center Space #HL-10 Strongsville, OH 44136	(440) 238-1207 Grand Opening 10/1/2011
SYLVANIA Gary and Molly Fitzpatrick	Promenade Shops 5577 Monroe Street Sylvania, OH 43560	(419) 885-3959 Grand Opening 6/10/1994
UPPER ARLINGTON Todd and Connie Jacob	3140 Riverside Drive Upper Arlington, OH 43221	(614) 485-0005 Grand Opening 8/7/2015
WESTLAKE Mark Caston	Crocker Promenade 30061 Detroit Road Westlake, OH 44145	(440) 871-8697 Grand Opening 11/6/2009
WORTHINGTON Todd and Connie Jacob	The Shoppes at Worthington Place 7227 North High Street Worthington, OH 43085	(614) 880-0333 Grand Opening 12/7/2007
OKLAHOMA		
TULSA Charlene and Jason Darrow	7891 E. 108th Place Suite X-8 Tulsa, OK 74133	(918) 970-6999 Grand Opening 4/24/2015
OREGON		
BEND Philip and Leticia Lees	Bend Factory Outlets 61334 South Highway 97 Suite 320 Bend, OR 97702	(541) 389-2447 Grand Opening 11/11/2017
PENNSYLVANIA		
BAKERY SQUARE Jennifer Palashoff	172 Bakery Square Blvd. Pittsburgh, PA 15206	(412) 361-8697 Grand Opening 11/3/2010
BLUE BELL Barry and Cheryl Weiss	Center Square Plaza 1301 Skippack Pike Blue Bell, PA 19422	(610) 272-0777 Grand Opening 10/27/1995
COLLEGEVILLE Richard and Caroline Brant	Providence Town Center 160 Market Street Collegeville, PA 19426	(610) 489-9500 Grand Opening 11/22/2013 Transfer Date 2/1/2019
EXTON Rich and Fran Gordon	128 Eagleview Blvd. Exton, PA 19341	(610) 280-9512 Grand Opening 9/1/2000
HAVERTOWN Rich and Fran Gordon	Manoa Shopping Center 1305 West Chester Pike Unit 23 Havertown, PA 19083	(610) 352-8697 Grand Opening 5/12/2003 Relocated from Broomall
KING OF PRUSSIA Barry and Cheryl Weiss	King of Prussia Mall Suite 1081 690 Dekalb Pike King of Prussia, PA 19406	(610) 354-9966 Grand Opening 5/28/2009

MT. LEBANON David and Amy Bahm	1500 Washington Road Suite 2503 Pittsburgh, PA 15228	(412) 341-8697 Grand Opening 6/4/2008
NEWTOWN Michael and Susan McCredie	Village at Newtown 2829 South Eagle Road Newtown, PA 18940	(215) 968-6850 Grand Opening 9/18/2004
RICHBORO Michael and Susan McCredie	Crossroads Plaza 800 Bustleton Pike Richboro, PA 18954	(215) 953-6800 Grand Opening 10/15/1999
WEXFORD Julie and Andrew Tsounos	10628 Perry Highway Wexford, PA 15090	(724) 364-3112 Grand Opening 9/23/2016
SOUTH CAROLINA		
LEXINGTON Paige Watson	Lexington Pavilion Shopping Center 5175 Sunset Blvd. Suite 12 Lexington, SC 29072	(803) 359-0008 Grand Opening 7/2/2009
TENNESSEE		
CHATTANOOGA Patrick and Joanna Holland	Two North Shore 313 Manufacturers Road Suite 103 Chattanooga, TN 37405	(423) 643-8697 Grand Opening 9/12/2008 Transfer 8/1/2017
FRANKLIN Christy Geuther	The Shoppes at Thoroughbred Square 420 Cool Springs Blvd. Franklin, TN 37067	(615) 771-3434 Grand Opening 3/25/2009 Transfer Date 3/31/2017
MOUNTAIN TOP TOYS* Patrick and Joanna Holland	1231 Taft Highway Signal Mountain, TN 37377	(423) 886-6943 Converted to Learning Express 8/1/2017
TEXAS		
ALDEN BRIDGE Deborah and Kenneth Tandy	8000 Research Forest Drive Suite 140 The Woodlands, TX 77382	(281) 298-0444 Grand Opening 10/20/2011
BEE CAVE Mike and Lisa Schlageter	12901 Hill Country Blvd. D1-103 Bee Cave, TX 78738	(512) 402-0808 Grand Opening 10/24/2007
COLLEGE STATION Bridget and Isaac Mais	1505 University Drive East Suite 130 College Station, TX 77840	(979) 234-9000 Grand Opening 5/30/2018
CYPRESS Roger and Shannon Fritz	Cinemark Shopping Center 25704 Northwest Freeway Suite H Cypress, TX 77429	(281) 758-2232 Grand Opening 5/4/2007
DALLAS Hal and Kathryn Cook	4500 Lovers Lane Dallas, TX 75225	(469) 802-9499 Grand Opening 5/10/1996

FRISCO Thomas and Sonseeaharay (Sonnie) Stanford	3245 Main Street Suite 273 Frisco, TX 75034	(469) 579-4975 Grand Opening 3/24/2017
KATY Margaret (Meg) Sides	6501 S. Fry Road Suite 500 Katy, TX 77494	(281) 347-8697 Grand Opening 6/1/2005
PLANO Amy MacDonald	Preston Towne Crossing 2412 Preston Road Suite 140 Plano, TX 75093	(469) 626-0020 Grand Opening 5/31/2019
SAN ANTONIO Tim Hicks	Alamo Quarry Market 255 E. Basse Road Suite 340 San Antonio, TX 78209	(210) 930-4442 Grand Opening 7/28/1997
SAN ANTONIO – STONE OAK Mary and Thomas Adams	Village at Stone Oak 22802 US Highway 281 North Suite 106 San Antonio, TX 78258	(210) 545-5445 Grand Opening 9/19/2008 Transfer Date 2/1/2019
TOWN & COUNTRY Roger and Shannon Fritz	Town & Country Village 12850 Memorial Drive Suite 1160 Houston, TX 77024	(713) 465-8697 Grand Opening 8/26/2010
WASHINGTON		
RENTON Cody and Danica Perino	840 N. 10th Place, Suite A Renton, WA 98057	(425) 264-3606 Grand Opening 5/13/2016
WISCONSIN		
BROOKFIELD William and Mary Lewis	Brookfield Square Shopping Center 95 N. Moorland Road A-96 Brookfield, WI 53005	(262) 785-0425 Grand Opening 10/29/2010

* Conversion Store

Former Franchisees

Franchisees no longer in the system:	Franchisees remaining in the system:
Vincent and Michell Albanese Bethlehem and Saucon Valley, PA (610) 798-7700	Tim Hicks San Antonio-Stone Oak, TX (210) 930-4442 Transfer of Ownership
Kimberly Dawson and Wendy Shenberg Collegeville, PA (610) 812-9827 Transfer of Ownership	Rick Diefenderfer Beachwood, OH (440) 238-1207 Voluntary Consolidation of Stores
Chip and Joyce Will Andover, MA (978) 609-6661	W.R. and Tracy Meredith Cary Parkside, NC (919) 859-1989 Voluntary Consolidation of Stores
Jamie Demboski Stuart, FL (610) 393-3377	Marc and Pattie Monroe Coconut Creek, FL (561) 995-0055 Voluntary Consolidation of Stores
Michele Sottosanti Sea Girt, NJ (201) 491-6104Transfer of Ownership	Roy and Patrice Sommerhalter Ridgewood, NJ (973) 239-2559 Voluntary Consolidation of Stores
	Isaac Bendrao, Valerie Zafrany, Ionathan Brief Ft. Lauderdale, FL (305) 931-8085 Voluntary Consolidation of Stores
	Chris and Pam Stolz Brandon, FL (941) 351-5556 Voluntary Consolidation of Stores

Exhibit G: Financial Statements

BURKE & COMPANY LLC

Certified Public Accountants

481 MAIN STREET
STONEHAM, MASS. 02180 - 2698
TELEPHONE (781) 438-6700
FACSIMILE (781) 438-8023

MEMBER
AMERICAN INSTITUTE OF CPA'S
MASSACHUSETTS SOCIETY OF CPA'S

CONSENT

Burke & Company LLC consents to the use in the Franchise Disclosure Document issued by Learning Express, Inc. ("Franchisor"), on April 1, 2020, as it may be amended, of our report dated March 6, 2020, relating to the financial statements of Franchisor for the period ending December 31, 2019.

Burke & Company LLC
Certified Public Accountants

Stoneham, Massachusetts
April 1, 2020

LEARNING EXPRESS, INC.

(A SUBCHAPTER S CORPORATION)

DECEMBER 31, 2019, 2018 AND 2017

Presented by:

BURKE & COMPANY LLC
Certified Public Accountants
Stoneham, Massachusetts 02180

LEARNING EXPRESS, INC.

DECEMBER 31, 2019, 2018 AND 2017

INDEX

FINANCIAL STATEMENTS:

Independent Auditors' Report

Exhibit A	-	Balance Sheets December 31, 2019, 2018 and 2017
Exhibit B	-	Statements of Income and Retained Earnings Years Ended December 31, 2019, 2018 and 2017
Exhibit C	-	Statements of Cash Flows Years Ended December 31, 2019, 2018 and 2017
Exhibit D	-	Notes to the Financial Statements December 31, 2019, 2018 and 2017

BURKE & COMPANY LLC

Certified Public Accountants

481 MAIN STREET
STONEHAM, MASS. 02180 - 2698
TELEPHONE (781) 438-6700
FACSIMILE (781) 438-8023

MEMBER
AMERICAN INSTITUTE OF CPA'S
MASSACHUSETTS SOCIETY OF CPA'S

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Learning Express, Inc.
Ayer, MA 01432

Report on the Financial Statements

We have audited the accompanying financial statements of Learning Express, Inc. which comprise the balance sheets as of December 31, 2019, 2018 and 2017, and the related statements of income, retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Learning Express, Inc. as of December 31, 2019, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Burke & Company LLC
Certified Public Accountants

Stoneham, Massachusetts
March 6, 2020

Exhibit A

LEARNING EXPRESS, INC.
BALANCE SHEETS
DECEMBER 31, 2019, 2018 AND 2017

ASSETS

	2019	2018	2017
CURRENT ASSETS			
Cash	500,028	401,532	450,771
Accounts Receivable	1,650,917	1,683,827	1,894,783
Prepaid Expenses	50,141	115,399	17,870
TOTAL CURRENT ASSETS	2,201,086	2,200,758	2,363,424
PROPERTY AND EQUIPMENT			
Motor Vehicles	308,220	308,220	308,220
Equipment	600,684	580,164	499,538
Furniture and Fixtures	430,783	430,783	430,783
Leasehold Improvements	856,357	856,357	856,357
TOTAL PROPERTY AND EQUIPMENT - AT COST	2,196,044	2,175,524	2,094,898
Less: Accumulated Depreciation	2,051,910	1,990,934	1,940,184
PROPERTY AND EQUIPMENT - NET OF DEPRECIATION	144,134	184,590	154,714
TOTAL ASSETS	2,345,220	2,385,348	2,518,138

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Exhibit A

LEARNING EXPRESS, INC.

BALANCE SHEETS

DECEMBER 31, 2019, 2018 AND 2017

LIABILITIES AND STOCKHOLDERS' EQUITY

		2019	2018	2017
CURRENT LIABILITIES				
Accounts Payable		47,650	26,669	39,941
Accounts Payable - Regional Owners		109,184	171,906	189,792
Accrued Expenses		15,216	42,487	4,106
Franchise Deposits		----	5,000	5,000
TOTAL CURRENT LIABILITIES		172,050	246,062	238,839
STOCKHOLDERS' EQUITY				
Common Stock - No Par Value				
Authorized	30,000 Shares			
Issued and Outstanding	1,300 Shares	1,000	1,000	1,000
Additional Paid-In Capital		99,000	99,000	99,000
Retained Earnings		2,073,170	2,039,286	2,179,299
TOTAL STOCKHOLDERS' EQUITY		2,173,170	2,139,286	2,279,299
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		2,345,220	2,385,348	2,518,138

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Exhibit B

LEARNING EXPRESS, INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS

YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

	2019	2018	2017
FRANCHISE FEE AND ROYALTY INCOME	4,508,873	4,984,326	5,561,915
OPERATING EXPENSES	4,477,897	5,121,125	5,627,198
INCOME (LOSS) FROM OPERATIONS	30,976	(136,799)	(65,283)
OTHER INCOME (EXPENSES)			
Interest Income	7,040	3,001	2,754
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	38,016	(133,798)	(62,529)
PROVISION FOR INCOME TAXES			
State	4,132	6,215	1,743
NET INCOME (LOSS)	33,884	(140,013)	(64,272)
RETAINED EARNINGS - BEGINNING	2,039,286	2,179,299	2,243,571
RETAINED EARNINGS - ENDING	2,073,170	2,039,286	2,179,299

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Exhibit B
(continued)

LEARNING EXPRESS, INC.

OPERATING EXPENSES

YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

	2019	2018	2017
Advertising	38,060	54,815	37,955
Auto Expense	17,456	23,418	22,485
Bad Debts	8,472	9,285	42,859
Commissions and Royalties	509,558	661,526	836,027
Depreciation	60,976	50,749	50,950
Insurance and Employee Benefits	214,966	250,417	231,213
Licenses and Registration Fees	2,367	2,968	2,100
Office Expense and Credit Card Fees	103,584	81,617	353,393
Payroll and Payroll Taxes	2,885,712	3,345,049	3,276,467
Supplies and Software	285,558	177,685	241,643
Professional Fees	12,123	50,442	64,031
Repairs and Maintenance	27,534	16,158	10,693
Rent	90,000	180,000	180,000
Telephone and Communication	28,659	29,816	30,744
Training and Seminars	142,605	118,430	153,599
Travel	31,789	50,438	63,397
Utilities	18,478	18,312	29,642
TOTAL OPERATING EXPENSES	4,477,897	5,121,125	5,627,198

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Exhibit C

LEARNING EXPRESS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	33,884	(140,013)	(64,272)
Adjustments to Reconcile Net Income to Net Cash			
Depreciation	60,976	50,749	50,950
(INCREASE) DECREASE IN ASSETS			
Accounts Receivable	32,910	210,956	72,608
Prepaid Expenses	65,258	(97,529)	4,598
INCREASE (DECREASE) IN LIABILITIES			
Accounts Payable	(41,741)	(31,159)	(33,469)
Accrued Expenses	(27,271)	38,383	(1,285)
Franchise Deposits	(5,000)	----	(5,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	119,016	31,387	24,130
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property and Equipment	(20,520)	(80,626)	----
NET CASH USED IN INVESTING ACTIVITIES	(20,520)	(80,626)	----
CASH FLOWS FROM FINANCING ACTIVITIES			
Notes Receivable	----	----	60,800
NET CASH PROVIDED BY FINANCING ACTIVITIES	----	----	60,800
NET INCREASE (DECREASE) IN CASH	98,496	(49,239)	84,930
CASH - BEGINNING	401,532	450,771	365,841
CASH - ENDING	500,028	401,532	450,771

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Exhibit C
(continued)

LEARNING EXPRESS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

SUPPLEMENTAL CASH FLOWS DISCLOSURES

Cash Paid During the Years for:	2019	2018	2017
Interest	----	----	----
Income Taxes	4,132	6,215	1,743

SUPPLEMENTAL DISCLOSURES OF ACCOUNTING POLICY

For the purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Exhibit D

LEARNING EXPRESS, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Operations

The Company is a franchiser of approximately 100 retail businesses throughout the United States, which sells toys and games to the public under the trade name Learning Express.

B. Bad Debts

Bad debts are written off when deemed uncollectible by management. Accounts receivable are net of an allowance of $1,000, $8,000 and $8,000 at December 31, 2019, 2018 and 2017, respectively.

C. Fixed Assets

Fixed assets are stated at cost and are being depreciated using straight line and accelerated methods over their estimated useful lives ranging from 3 to 20 years.

D. Income Taxes

Effective January 1, 1998, the Company elected to be taxed as a Subchapter S Corporation. Income, including deferred income is passed through to the shareholders, who then are liable for taxes thereon. Some states tax the Corporation directly on income apportioned to that state. The Company has not been informed that its tax returns are under audit from any taxing authorities.

E. Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

F. Subsequent Events

Management has evaluated subsequent events through March 6, 2020, the date of these financial statements.

NOTE 2 - RELATED PARTIES

The Company rents its office space from the stockholder as a tenant-at-will. Rent expense for 2019, 2018 and 2017 was $90,000, $180,000, $180,000, respectively.

LEARNING EXPRESS, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019, 2018 AND 2017

NOTE 3 - FRANCHISE FEE REVENUE

The Company recognizes revenue under the standards of ASC 606. The Company's revenue from contracts with franchisees consist of:

- The franchise fee.
- Royalties on franchisee sales.

Under the Learning Express Franchise Agreement, the Company is obligated to provide franchisees the following services:

a. Prototype plans for franchised store;

b. Training program covering all aspects of the operation of a franchised store;

c. Copy of the confidential operations manual;

d. Advisory assistance, supplier lists, equipment lists, and such general instructions as to opening the franchisee's store; and,

e. Grand Opening assistance.

The Company recognizes revenue from franchise fees when items A through E above are completed, which is when the franchisee opens for business.

The franchise fee revenue and royalty revenue are broken down as follows:

	2019	2018	2017
Regional Franchise Fees	$ ----	$ ----	$ ----
Local Franchise Fees	25,000	41,000	37,000
Royalties	4,483,873	4,943,326	5,524,915
TOTALS	$4,508,873	$4,984,326	$5,561,915

Royalties are reported on the accrual method of accounting. Local franchise fees are generally paid in full at closing. Revenue is recognized upon the stores opening, provided that significantly all of items a. through e. above has been completed.

Regional franchise fees consist of a non-refundable deposit and an unsecured note receivable. This revenue is recognized as the cash is received (cash method), in accordance with United States generally accepted accounting principles.

	2019	2018	2017	2016 and Prior	Total
Regional Franchise Fees Sold	$ ----	$ ----	$ ----	$2,210,218	$2,210,218
Cash Collected	----	----	----	2,210,218	2,210,218
Notes Receivable					$ ----

LEARNING EXPRESS, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019, 2018 AND 2017

NOTE 4 - CONTINGENCIES

The Company maintains cash balances, which from time to time, may be in excess of the F.D.I.C. insurance limits.

NOTE 5 - PENSION

The Company began a 401(k) Plan, which permits employees to make elective deferrals up to the limits as permitted by IRS Regulations. The Company may match 15% of the deferral, limited to 6% of wages. Pension expense was $-0-, $-0-, and $-0- for 2019, 2018 and 2017, respectively.

Exhibit H to this Disclosure Document State Specific Addenda to the Disclosure Document

Information Required By the State of California

In recognition of the California Franchise Investment Law, Cal. Corp. Code § 31000, et seq., and the California Franchise Relations Act, Cal. Bus. & Prof. Code § 20000, et seq., the Franchise Disclosure Document for Learning Express, Inc. offering franchises under the "Learning Express" mark for use in the State of California shall be amended as follows:

The Cover Page shall be amended by adding the following disclosures:

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.

REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS, CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

RISK FACTORS:

All goodwill associated with the trademarks, including any goodwill which may arise through the Franchisee's activities, expressly belong to the Franchisor for the Franchisor's benefit.

Franchisor can modify or discontinue the use of any trademark at any time at the Franchisee's sole expense.

Under the Franchise Agreement, Franchisee grants a security interest in the equipment, furniture, fixtures, inventory and improvements of the store to the Franchisor.

Franchisees must attend the annual New York Toy Fair and the Franchisor's annual convention.

Franchise Agreement limits franchisee's rights to a class action.

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.

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

1) Item 3 "Litigation" shall be amended by the addition of the following paragraph:

Neither the franchisor nor any person or franchise broker identified 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 persons from membership in that association or exchange.

2) Item 17, "Renewal, Termination, Transfer and Dispute Resolution" shall be amended by adding the following disclosure:

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

3) Item 17, "Renewal, Termination, Transfer and Dispute Resolution" shall be amended by adding the following disclosure:

If You execute a general release, in a form prescribed by the Franchisor, of any and all claims against the Franchisor and its affiliates, and their respective officers, directors, agents, and employees, the release must exclude such claims that You may have that have arisen under the California Franchise Investment Law or the California Franchise Relations Act.

4) Item 17, "Renewal, Termination, Transfer and Dispute Resolution", shall be amended by adding the following disclosure:

The California Franchise Relations Act provides to franchisees additional rights concerning non-renewal. Notice of intention by the Franchisor not to renew a franchise agreement must be given at least 180 days prior to the expiration of the franchise agreement. In the event that any of the provisions of a franchise agreement conflict with the statute, the conflicting provisions will be considered invalid.

5) Item 17, "Renewal, Termination, Transfer and Dispute Resolution" shall be amended by adding the following disclosure:

The California Franchise Relations Act provides to franchisees additional rights concerning termination. A franchise may be terminated only for good cause, and franchisees must be given notice of default and a reasonable opportunity to cure defects (except for certain defects, as specified in the statute, which require no notice or cure). In the event that any of the provisions of a franchise agreement conflict with the statute, the conflicting provisions will be considered invalid.

6) Item 17, "Renewal, Termination, Transfer and Dispute Resolution" shall be amended by adding the following disclosure:

Your execution of a general release under seal, in a form satisfactory to the Franchisor of any and all claims against the Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities, including, any and all claims, whether arising under federal, state or local laws, rules or ordinances as a condition to transfer must exclude those such claims as the transferor may have that have arisen under the California Franchise Investment Law or California Franchise Relations Act.

7) Item 17, "Renewal, Termination, Transfer and Dispute Resolution" shall be amended by adding the following disclosure:

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

8) Item 17, "Renewal, Termination, Transfer and Dispute Resolution" shall be amended by adding the following disclosure:

The franchise agreement requires application of the laws of Massachusetts. This provision may not be enforceable under California law.

9) Item 17, “Renewal, Termination, Transfer and Dispute Resolution” shall be amended by adding the following disclosure:

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

10) Item 19, “Financial Performance Representations” shall be amended by adding the following disclosure:

The earnings claims figures do not reflect the cost of sales, operating expenses or other costs or expenses that must be deducted from gross revenue or 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 Local Store Franchise. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of information.

Information Required By the State of Indiana

In recognition of the Indiana Franchise Law, Title 23, Article 2, Chapter 2.5 Sections 1 through 51, the Franchise Disclosure Document for Learning Express, Inc. offering franchises under the "Learning Express" mark for use in the State of Indiana shall be amended as follows:

1) Item 17(c), pertaining to "Requirements for You to Renew or Extend" Your Franchise Agreement, is hereby amended by adding the following paragraph:

"Indiana State Code 23-2-2.7-1(5) deems it unlawful for You to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve Learning Express from liability imposed by Indiana State Code 23-2-2.7.

2) Item 17(m) pertaining to requirements for approval of transfer, is hereby amended by adding the following:

"Indiana State Code 23-2-2.7-1(5) deems it unlawful for You to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve Learning Express from liability imposed by Indiana State Code 23-2-2.7.

3) Item 17(r), pertaining to the post-termination non-competition covenants, is hereby amended by adding the following paragraph:

"The post-termination covenant not to compete complies with Indiana State Code 23-2-2.7-1(9) which prohibits Learning Express from prohibiting You from competing for a period longer than 3 years or in an area greater than the exclusive area contained in Your agreement."

4) Item 17(t), pertaining to the integration/merger clause, is hereby amended by adding the following paragraph:

"Notwithstanding anything to the contrary contained in Your agreement, You do not waive any right under the Indiana statutes with regard to prior representations made in the Indiana Uniform Franchise Disclosure Document."

5) Item 17(v), pertaining to the choice of forum, is hereby amended by adding the following paragraph:

"Choice of forum in any jurisdiction other than Indiana is prohibited under IC 23-2-2.7-1(10). Learning Express may not require that You agree to participate in any form of alternative dispute resolution other than arbitration before an independent arbitrator."

6) Item 17(w), pertaining to the choice of law, is hereby amended by adding the following paragraph:

"The choice of Massachusetts law shall be subject to the superseding provisions in Indiana's Franchise Acts, IC 23-2-2.5 and 2.7."

7) Item 19, "Financial Performance Representations", is hereby amended by adding the following paragraph:

"Gross sales do not reflect the actual income of a franchised store and should not be used to calculate prospective profitability. The profitability of an individual store is dependent upon a number of factors, which may vary due to the distinct characteristics of the franchised business. In particular, variable costs such as those listed in Item 7 of this Disclosure Document, as well as costs associated with regulatory compliance, human resources and payments which You will be required to make to Learning Express should be considered."

Information 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.

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

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

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

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful 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. The 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 a franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

ANY QUESTIONS REGARDING THE NOTICE SHOULD BE DIRECTED TO THE DEPARTMENT OF COMMERCE, CORPORATION AND SECURITIES BUREAU, 670 LAW BUILDING, LANSING, MICHIGAN 48913.

Information Required By the State of Minnesota

Franchise Disclosure Document for Learning Express, Inc. for use in the State of Minnesota shall be amended as follows:

Cover Page:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1.Item 13, Trademarks, shall be amended by the addition of the following paragraph:

"In compliance with Minn. Stat. ' 80C.12, Subd. 1(g), Learning Express will protect Your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify You from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name."

2.Item 17, Renewal, Termination, Transfer and Dispute Resolution, the following language shall be amended by adding the following:

"Minnesota Franchise Act, Minn. Stat. ' 80C.21, and Minn. Rule 2860.4400(J) prohibit Us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Disclosure Document or Agreement can abrogate or reduce any of Your rights as provided for in Minnesota Statutes, Chapter 80C, including specifically Chapter 80C.17, or Your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

3.Item 17, Renewal, Termination, Transfer and Dispute Resolution, shall be amended by the addition of the following paragraphs at the conclusion of the Item 17:

"You will execute a general release, in a form prescribed by Learning Express, of any and all claims against Learning Express, its affiliates, and their respective officers, directors, agents and employees, excluding only such claims as You may have that has arisen under the Minnesota Franchise Act or the Rules and Regulations promulgated thereunder by the Commissioner of Commerce."

"Notwithstanding the foregoing, Your rights regarding renewal may be determined by applicable provisions of the Minnesota Franchise Act, Minn. Stat. ' 80C.14, and Minnesota Rule ' 2860.4400(M)."

"The transferor's execution of a general release under seal, in a form satisfactory to Learning Express, of any claims against Learning Express and its officers, directors, shareholders and employees, in their corporation and individual capacities, excluding only such claims as You may have that have arisen under

the Minnesota Franchise Act or the Rules and Regulations promulgated thereunder by the Commissioner of Commerce."

"To the extent that the above provisions regarding termination are inconsistent with the requirements of the Minnesota Franchise Act, Minn. Stat. ' 80C.14 and Minn. Rules 2860.4400(E) and (F) (which, among other things, grant You the right, in most circumstances, to at least 90 days' prior written notice of termination, with 60 days to cure, and reason thereof, which must, in any case, be for good cause), the above termination provisions will be superseded by the Act's requirements and will have no force or effect."

Information Required By the State of New York

Registration of this franchise with the State does not mean that the State recommends it or has verified the information in this Disclosure Document. If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and the State Administrator for this State listed in Exhibit A.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SETFORTH IN THIS PROSPECTUS.

THIS DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS DISCLOSURE DOCUMENT AND ALL CONTRACTS AND AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ALTHOUGH THESE FRANCHISES HAVE BEEN ACCEPTED FOR FILING SUCH FILING UNDER GENERAL BUSINESS LAW, ARTICLE 33 OF THE STATE OF NEW YORK DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE NEW YORK STATE DEPARTMENT OF LAW THAT THE INFORMATION PROVIDED IN THIS AGREEMENT IS TRUE. THE DEPARTMENT'S REVIEW DID NOT INCLUDE A DETAILED EXAMINATION OF THE MATERIALS SUBMITTED. A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT MAY CONSTITUTE A VIOLATION OF BOTH FEDERALAND STATE LAW, AND SHOULD BE REPORTED TO BOTH FEDERAL TRADE COMMISSION, WASHINGTON, DC 20580 AND THE NEW YORK STATE DEPARTMENT OF SECURITIES, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, NEWYORK, NY 10271.

GENERAL BUSINESS LAW, ARTICLE 33 OF THE STATE OF NEW YORK MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE A COPY OF THE OFFERING PROSPECTUS, TOGETHER WITH A COPY OF THE FRANCHISE AGREEMENT AT THE EARLIER OF (A) THE FIRST PERSONAL MEETING BETWEEN THE FRANCHISE OR ITS AGENT AND THE PROSPECTIVE FRANCHISEE, (B) AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE EXECUTION OFA BINDING FRANCHISE OR OTHER AGREEMENT OR (C)AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF A FRANCHISE.

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: SECRETARY OF STATE, ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE, ALBANY, NY 12231.

In recognition of the requirements of the New York Franchise Sales Act, the Uniform Franchise Disclosure Document for Learning Express, Inc. for use in the State of New York shall be amended as follows:

1. Item 3, "Litigation" shall be amended by deleting the disclosure made therein and inserting in its place the following:

"Neither Learning Express, its predecessor, nor any person or franchise sales agent identified in Item 2:

(i) Has pending any administrative criminal or material civil actions (or a significant number of civil actions irrespective of materially) alleging: a felony; a violation of any franchise, antitrust or securities law;

fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations;

(ii) Has been convicted of a felony or pleaded nolo contendere to felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations;

(iii) Is subject to any injunction or restrictive order or decree relating to franchises or under any Federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practices law as a result of a concluded or pending action or proceeding brought by a public agency."

2. Item 4, "Bankruptcy" shall be amended by deleting the disclosure made therein and inserting in its place the following:

"Neither the franchisor or any predecessor, officer or general partner of the franchisor has during the 15 year period immediately preceding the date of the offering prospectus been adjudged bankrupt or reorganized due to insolvency or was a principal officer of any partnership that was adjudged bankrupt or reorganized due to insolvency during or within 1 year after the period that such officer or general partner of the franchisor held such position in such company or partnership, and no such bankruptcy or reorganization proceeding has been commenced."

3. Item 5, "Initial Franchise Fee", shall be amended by adding the following additional information:

"The initial franchise fee will be used for the following purposes: the training and the initial operating support of the franchisees, travel expenses of Learning Express's personnel and brokerage and other commissions."

4. Item 8, "Restrictions on Sources of Products and Service", shall be amended by adding the following additional information:

"Learning Express recommends the type, quality and manufacturers of the toy inventory which You will carry in Your Learning Express store. Learning Express requires You to purchase certain computer hardware and software, the specifications for which are included in Item 11 of this Offering Prospectus. Other than the foregoing recommendations and requirements, Learning Express does not obligate You to make purchases in accordance with Learning Express's specifications".

5. Item 12, "Territory", shall be amended by adding the following additional information:

"Neither Learning Express nor any affiliate has established or may establish other franchises or company-owned outlets or other channels of distribution, selling or leasing similar products or services under a different trademark."

6. Item 17, "Renewal, Termination, Transfer and Dispute Resolution", shall be amended by adding the following additional information to Provision D:

"The Franchisee may terminate upon any grounds permitted by law".

7. Item 17, "Renewal, Termination, Transfer and Dispute Resolution", shall be amended by adding the following additional information to Provisions J and S:

"However, no assignment will be made except to an assignee who, in the good faith and judgment of the Franchisor, is willing and able to assume Franchisor's obligations under the Franchise Agreement."

8. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by adding the following additional information to Provision W.

"The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisee by the General Business Law of the State of New York".

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

THIS NEW YORK ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE

RESIDENTS OF NEW YORK OR LOCATE THEIR FRANCHISES IN NEW YORK.

Information Required By the State of Rhode Island

In recognition of the Rhode Island Franchise Investment Act, as amended, the Franchise Disclosure Document for Learning Express, Inc. for use in the State of Rhode Island shall be amended as follows:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution" shall be amended by the addition of the following paragraph:

If You are a franchisee in Rhode Island, then the choice of law and venue provisions of Your Franchise Agreement will not be enforceable."

Information Required By the State of Washington

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

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in Your relationship with the franchisor including the areas of termination and renewal of Your franchise. There may also be court decisions which may supersede the Franchise Agreement in Your relationship with the Franchisor including the areas of termination and renewal of Your franchise.

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

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

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

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

The undersigned does hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____, 20____.

_____ _____

Learning Express, Inc. Prospective Franchisee

Information Required By the State of Wisconsin

Franchise Disclosure Document for Learning Express, Inc. for use in the State of Wisconsin shall be amended as follows:

Cover Page:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE WISCONSIN FRANCHISE INVESTMENT LAW. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF WISCONSIN OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE WISCONSIN FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

THIS DISCLOSURE DOCUMENT AND THE FRANCHISE AGREEMENTS ARE SUBJECT TO THE WISCONSIN FRANCHISE INVESTMENT LAW.

1. Item 17, Renewal, Termination, Transfer and Dispute Resolution, shall be amended by the addition of the following paragraphs at the conclusion of the Item 17 disclosures under the Local Store Franchise headings:

"To the extent that the provisions regarding renewal described in this section are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances, to 90 days prior written notice of termination and 60 days within which to remedy any claim deficiencies), the renewal provisions will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect."

"To the extent that the provisions regarding termination described in this section are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances, to 90 days prior written notice to termination and 60 days within which to remedy any claim deficiencies), the termination provision will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect."

"To the extent that the provisions regarding termination described in the Franchise Agreement regarding repurchase of inventory are inconsistent with the requirements of § 135.045 of the Wisconsin Fair Dealership Law, the above-mentioned provisions will be superseded by the Law's requirements, which states that if Learning Express, at the option of You, repurchases inventory which was sold by Learning Express to You for resale, fair wholesale market value must be paid for all merchandise bearing a name, trade name, label or other mark which identifies Learning Express."

"Covenants not to compete during the term of and upon termination or expiration of a Franchise Agreement are enforceable only under certain conditions according to Wisconsin Law."

Exhibit I to This Disclosure Document State Specific Riders to the Franchise Agreement

AMENDMENT TO LEARNING EXPRESS LOCAL STORE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the California Franchise Investment Law, Cal. Bus. & Prof. Code § 31000 et seq., and the California Franchise Relations Act, Cal. Corp. Code § 20000 et seq., the parties to the attached LOCAL STORE FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. Section 11.2 C of the Agreement, under the heading "Permitted Transfers" shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

You shall execute a general release under seal, in a form satisfactory to Us, of any and all claims against Us and Our officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, excluding only such claims as You may have that have arisen under the California Franchise Investment Law or the California Franchise Relations Act.

2. A new section 13.4 of the Agreement, under the heading "Termination in California" shall be added, as follows:

To the extent that the provisions of Sections 13.1 and 13.2 regarding termination are inconsistent with the requirements of the California Franchise Relations Act, the termination provisions are superseded by the Act's requirements and shall have no force or effect.

3. A new Section 15.3 of the Agreement, under the heading "Application of Covenants in California" shall be added as follows:

This Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

4. Section 16.7 of the Agreement, under the heading "Governing Law", shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

This Agreement takes effect upon its acceptance and execution by Learning Express and shall be interpreted and construed under the laws of the Commonwealth of Massachusetts, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Massachusetts choice of law rules) except to the extent governed by the U.S. Trademark Act of 1946, 15 U.S.C. § 1051, et seq. (the "Lanham Act"); provided, however, that if the covenants in Section 15.1 of this Agreement would not be enforceable under the laws of Massachusetts, and the Franchised Business is located outside of Massachusetts, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Business is located. Nothing in this Section 15.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the Commonwealth of Massachusetts to which this Agreement would not otherwise be subject. However, these provisions may not be enforceable under California law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Amendment to the Franchise Agreement in duplicate on the day and year first above written.

ATTEST: LEARNING EXPRESS, INC.

_____ By: _____ (Seal)

Witness FRANCHISOR

ATTEST:

_____ By:_____ (Seal)

Witness FRANCHISEE

ATTEST:

_____ By:_____ (Seal)

Witness

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Franchisee; each has read this Amendment to the Agreement; and each agrees to be individually bound by its terms.

ATTEST:

_____ (Seal)

Witness

_____ (Seal)

Witness

_____ (Seal)

Witness

AMENDMENT TO LEARNING EXPRESS LOCAL STORE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF INDIANA

In recognition of Indiana Deceptive Franchise Practices Law, §§ IC 23-2-2.7. the parties to the attached Learning Express Franchise Agreement (the "Agreement") agree as follows:

1. Section 10.20 of the Agreement, under the heading "Independent Contractor and Indemnification", shall be supplemented by the addition of the following sentence:

"In no event shall this indemnification apply to liability caused by Your proper reliance on or use of procedures or materials provided by Learning Express or because of Learning Express's negligence."

2. Section 12.2 of the Agreement, under the heading "Duties of the Parties", Section 15.1 of the Agreement under the heading "Non-Competition" and Section 15.2 of the Agreement under the heading "Non-Disclosure", shall each be supplemented by the addition of the following paragraph:

"The reservation of rights by Learning Express to injunctive relief and specific damages or limitations on the remedies available to either party without benefit of appropriate process is prohibited under IC 23-2-2.7-1(10). You cannot be required to recognize the adequacy or inadequacy of any remedy. The waiver or release of any rights with regard to the Agreement is prohibited under IC 23-2-2.7-1(5)."

3. Section 11.2 of the Agreement under the heading "Assignment by You", shall be supplemented by the addition of the following sentence: "You cannot be required to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve Learning Express from liability under Indiana Code 23-2-2.7."

4. Section 16.2 of the Agreement, under the heading "Entire Agreement", shall be supplemented by the addition of the following sentence:

"Notwithstanding anything to the contrary in this provision, You do not waive any right under the Indiana statutes with regard to prior representations made in the Indiana Franchise Disclosure Document."

5. Section 16.7 of the Agreement, under the heading "Venue: Governing Law", shall be supplemented by the addition of the following paragraph:

"Notwithstanding anything to the contrary in this provision, venue for any cause of action brought under this Agreement shall be in Indiana pursuant to IC 23-2-2.7-1(10). Notwithstanding anything to the contrary in this provision, the choice of law for any cause of action brought under this Agreement shall be subject to any superseding provisions contained in Indiana's Franchise Acts, IC 23-2-2.5 and 2.7. You shall be permitted to bring actions arising under IC 23-2-2.5 at any time within 3 years from the date of violation pursuant to IC 23-2-2.7-7."

IN WITNESS WHEREOF, the parties intending to be bound legally, have fully executed, sealed and delivered this Amendment to the Agreement as of the day and year contained in the Agreement.

Learning Express, Inc.

_____ By:_____

Witness Officer

_____ By:_____

Witness Franchisee

AMENDMENT TO LEARNING EXPRESS LOCAL STORE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes, " 80C.01 - 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Commissioner of Commerce, the parties to the attached Learning Express Local Store Franchise Agreement (the "Agreement") agree as follows:

1. Section 4.2 of the Agreement, under the heading "Renewal", shall be supplemented by the addition of a new final paragraph as follows:

"Notwithstanding the foregoing, Your rights regarding renewal may be determined by applicable provisions of the Minnesota Franchise Act, Minn. Stat. ' 80C.14 and Minn. Rules ' 2860.4400(M)."

2. Section 5.3 of the Agreement entitled "Trademark Prosecution" shall be supplemented by the addition of the following language:

"We will protect Your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify You from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name."

3. Section 11.2 C of the Agreement under the heading "Permitted Transfers", shall be deleted in its entirety and shall have no force or effect, and the following shall be inserted in lieu thereof:

"You must execute a general release under seal, in a form satisfactory to Us, of any claims against Learning Express and its officers, directors, shareholders and employees, in their corporation and individual capacities, excluding only such claims as You may have that have arisen under the Minnesota Franchise Act or the Rules and Regulations promulgated thereunder by the Commissioner of Commerce."

4. Section 13 of the Agreement under the heading "Default and Termination", shall be supplemented by the following new subparagraph 13.4 entitled "Termination Rights under Minnesota Law:

"Minnesota law provides You with certain termination, non-renewal and transfer rights. Minn Stat. ' 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement, and that consent to transfer of the franchise may not be unreasonably withheld."

5. Section 16.7 of the Agreement entitled "Venue: Governing Law" shall be supplemented by the addition of two final paragraphs as follows:

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

"Minnesota Franchise Act, Minn. Stat. ' 80C.21, and Minn. Rule 2860.4400(J) prohibit Us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Local Store Franchise Agreement can abrogate or reduce any of Your rights as provided for in Minnesota Statutes, Chapter 80C, or Your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. This includes Section 80C.17, subd. 5, which provides that no action may be commenced pursuant to this section more than 3 years after the cause of action accrues."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Amendment to the Franchise Agreement in duplicate on the day and year first above written.

ATTEST: LEARNING EXPRESS, INC.

_____ By: _____

Witness Franchisor

(Seal)

ATTEST:

_____ By: _____ (Seal)

Witness Franchisee

ATTEST:

_____ By: _____ (Seal)

Witness Franchisee

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Franchisee; each has read this Amendment to the Agreement; and each agrees to be individually bound by its terms.

ATTEST:

_____ (Seal)

Witness

_____ (Seal)

Witness

_____

Witness (Seal)

AMENDMENT TO LEARNING EXPRESS, INC. LOCAL STORE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York Franchise Law and the attendant Codes, Rules and Regulation, the parties to the attached Learning Express, Inc. Franchise Agreement agree as follows:

1. Article 14.1 H, entitled "Your Obligations" shall be amended by adding the following final clause:

"; provided, however, that all rights enjoyed by You as franchisee and any causes of action arising in Your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Sections 687.4 and 687.5 be satisfied."

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

ATTEST:

LEARNING EXPRESS, INC.

_____

Secretary

FRANCHISOR:

By:_____

Officer

WITNESS:

_____

FRANCHISEE:

By:_____

AMENDMENT TO LEARNING EXPRESS LOCAL STORE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the Rhode Island Franchise Investment Act, as amended, the parties to the attached Learning Express, Inc. FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. Section 16.7 of the Agreement, under the heading "Venue: Governing Law", shall be amended to add the following:

"Provided that the Rhode Island Franchise Investment Act or a successor law should void a choice of law provision enforcing the laws of a jurisdiction other than Rhode Island or void a venue provision which restricts jurisdiction outside of Rhode Island, then all references to choice of law and/or venue shall read "Rhode Island."

IN WITNESS WHEREOF, the parties intending to be bound legally, have fully executed, sealed and delivered this Amendment to the Agreement as of the day and year contained in the Agreement.

Learning Express, Inc.

_____ By:_____

Witness Officer

_____ By:_____

Witness Franchisee

AMENDMENT TO LEARNING EXPRESS LOCAL STORE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

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

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in Your relationship with the franchisor including the areas of termination and renewal of Your franchise. There may also be court decisions which may supersede the Franchise Agreement in Your relationship with the Franchisor including the areas of termination and renewal of Your franchise.

The Franchise Agreement is amended as follows:

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

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

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

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

The undersigned does hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____, 20____.

_____ _____

Learning Express, Inc. Prospective Franchisee

AMENDMENT TO LEARNING EXPRESS LOCAL STORE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WISCONSIN

In recognition of the Wisconsin Fair Dealership Law, Wisconsin Statutes, §§ 135.01 -135.07, the parties to the attached Learning Express Franchise Agreement (the "Agreement") agree as follows:

1. Section 4.2 of the Agreement, under the heading "Renewal", shall be supplemented by the addition of a new final paragraph as follows:

"To the extent that the provisions of § 4.2 regarding renewal are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances, to 90 days prior written notice to termination and 60 days within which to remedy any claims deficiencies), said renewal provision will be superseded by the requirement of the Wisconsin Fair Dealership Law and will have no force or effect."

2. Section 13 of the Agreement under the heading "Default and Termination", shall be supplemented by the following new subparagraph 13.4 entitled "Termination Rights under Wisconsin Law:

"To the extent that the provision of § 13 regarding termination are inconsistent with requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances to 90 days prior written notice of termination and 60 days within which to remedy any claimed deficiencies), said termination provisions will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Amendment to the Franchise Agreement in duplicate on the day and year first above written.

ATTEST: LEARNING EXPRESS, INC.

_____ By: _____ (Seal)

Witness Franchisor

ATTEST:

_____ By: _____ (Seal)

Witness Franchisee

ATTEST:

_____ By: _____ (Seal)

Witness Franchisee

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Franchisee; each has read this Amendment to the Agreement; and each agrees to be individually bound by its terms.

ATTEST:

_____ (Seal)

Witness

_____ (Seal)

Witness

_____ (Seal)

Witness

Exhibit J: Local Store Franchise Agreement

Learning Express, Inc. Franchise Agreement

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Learning Express, Inc. Franchise Agreement

This FRANCHISE AGREEMENT is made and entered into this ____ day of _____, _____ by and between

Learning Express, Inc. a Massachusetts Corporation
29 Buena Vista Street
Devens, Massachusetts 01434-5026

("We" or "Learning Express")

and

_____

Store # _____

_____

_____

("You" or "Franchisee")

This Franchise Agreement (the "Agreement") is between Learning Express as Franchisor and You, as Franchisee. It is intended to describe and establish Our relationship during the term of this Agreement. Learning Express strongly encourages You to read this Agreement carefully and with the assistance of a professional advisor who is familiar with franchising and franchise agreements.

Recitals
We have developed a unique system ("System") for the operation of a Specialty Toy Store that features an eclectic mix of merchandise and customer centric services in a retail environment ("Learning Express Business").

The distinguishing characteristics of the System include, without limitation, Our interior design, special décor elements, layout, furnishings, fixtures, color schemes, display units, graphic design, signs, equipment, and a unique inventory mix; procedures for operations; computer software, websites, and E-commerce platforms; quality and uniformity of services and products offered; and customer recruitment and retention programs; local, regional and national events; procedures for management training and ongoing assistance; advertising, social media and promotional programs; and business formats, methods, procedures, designs, layouts, standards, and specifications ("System Standards"), which We may change, improve and further develop.

We have full rights, together with all goodwill connected with the use of the trade name, trademarks, service marks and logos (the "Marks") and any other Marks We continue to develop, use and control for the benefit and use of Learning Express and Our franchise owners, in order to create uniformity; uniformity being essential in creating public recognition, acceptance and patronage (the "Brand");

It is the purpose of this Agreement to set forth and ensure uniform standards of appearance, quality, and operations for all Stores, and to protect and enhance the name and Marks under the System Standards, and You understand and acknowledge this; and

You wish to obtain a license to use the System and the Marks to operate a franchised Learning Express business (the "Franchised Business"), and We wish to award You this license in accordance with the terms and provisions of this Agreement, the System Standards and the Confidential Operations Manuals, at the location and for the term as set forth below.

THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, You and Learning Express agree to be bound legally as follows:

1. Significant Franchise Agreement Provisions

1.1 Date of Agreement

_____

1.2 Expiration Date

_____

1.3 Renewal Notification Date

_____

1.4 Location of Learning Express Store

_____

1.5 Designated Territory

_____

1.6 Initial Franchise Fee

Thirty Five Thousand dollars ($35,000.00)

1.7 Royalty Fee

Five Percent (5%)

1.8 Minimum Grand Opening Advertising

Five Thousand dollars ($5,000.00)

2. Award of License

2.1 Award

Subject to the terms and conditions of this Agreement, We hereby award You and You accept a license to operate a single Franchised Business, as may be modified from time to time. You are permitted to conduct and operate the Franchised Business only under the name “Learning Express Toys”. We award You the right to use the System and You agree as a condition to this award of a license to comply with the obligations, which You accept by signing this Agreement. This license does not award You the right to sell any service or product to others for resale, through other channels of distribution, or via electronic commerce. Except as provided for in Section 8.8, You may not establish or maintain a Website for Your Franchised Business.

2.2 Designated Territory

A) During the term of this Agreement, and provided that You are not in default of this Agreement or any other agreement between You and Us, We will not own, operate, sell, grant, license or approve the transfer of, a Learning Express franchise to a location within Your Designated Territory.

B) Except as otherwise provided, We retain the right, in Our sole discretion, directly or through intermediaries or affiliates, to: (i) establish Stores, and to award others the right to establish Stores, at any location, without regard to the proximity thereof to other Store(s), on such terms and conditions as We deem appropriate, provided, however, that We will not operate or award or approve a franchise for a brick and mortar Learning Express Store within Your Designated Territory, (ii) operate and award others the right to operate or franchise other non-competing business systems at any location(s) and on such conditions as We deem appropriate, without awarding You any rights therein; and (iii) distribute, sell or license the distribution of any products, under or in connection with any trademarks, service marks, logos, and commercial symbols owned by Us, to any purchaser wherever located via the World Wide Web, the Internet, catalog, telephone or any other means.

2.3 Limited License

You do acknowledge that the license awarded hereby is a limited award of rights. Upon termination for any reason or upon expiration of this Agreement, Your rights to operate the Franchised Business will cease and this license will terminate.

3. Franchised Location

3.1 Accepted Location

The franchise which We award You by this Agreement is for the operation of one (1) Store, to be located at the address listed in Section 1.4 above within the Designated Territory defined in Section 1.5, that We have accepted. You may not relocate Your Local Store Franchise without Our prior written consent, which shall not be provided if payment of any money due to Us remains unpaid or if You are in default of Your Agreement. We will apply the same criteria to Your request to relocate as We apply to Your initial proposed location. In furnishing Our acceptance, We will consider such factors as general location and immediate

surroundings, market demographic characteristics, traffic patterns, visibility, size, layout, lease terms, competition, growth trends in the area and Your proven operating skill and willingness to follow the Learning Express system. The new location must comply with the then current System Standards such as flooring, computers and fixtures. In all cases, You must furnish Us with a copy of Your proposed lease and an outline of the lease's key business terms. Once You have signed the lease, You must furnish Us with a fully executed copy. Our acceptance of any site does not constitute a representation or warranty that the location will be profitable or that Your sales will attain any predetermined levels. Our acceptance is intended only to indicate that the proposed site meets Our minimum criteria for identifying sites. You agree that Our acceptance or refusal to accept any proposed site will not impose any liability or obligation on Us.

4. Term and Renewal

4.1 Term

This Agreement will continue for a term of ten (10) years, as set forth in Section 1.2 of this Agreement, unless terminated sooner for any reason set forth in this Agreement.

4.2 Renewal

You will have the option to renew this Agreement for two (2) successive ten (10) year terms on the basis of Our then current franchise agreement, subject to certain conditions which follow:

A) You have substantially complied with all the provisions of this Agreement during its term;

B) You agree to refurbish, replace or redecorate all leasehold improvements, furniture and fixtures, equipment, material, inventory, supplies, signs and the like, to the extent that it is reasonable and necessary to comply with System Standards applicable under the then current franchise agreement;

C) You notify Us of Your intention to exercise Your option to renew by sending Us written notice, no less than one (1) year, nor more than eighteen (18) months prior to the expiration of this Agreement. Within thirty (30) days after Our receipt of timely notice, We will furnish You with Our recommendations and/or requirements relating to the furniture and fixtures, equipment, supplies, and inventory, image, appearance, and decoration of Your Franchised Business.

D) You must sign Our then current franchise agreement no later than three (3) months before the expiration date of this Agreement and You must agree to complete the changes proposed through Our recommendations or requirements. The new franchise agreement may contain different terms and obligations than the Agreement which You are signing today. You will also be required to complete such improvements as are, in Our opinion necessary or desirable to maintain the Learning Express Mark and Brand image. You must also execute a general release, in the form which We provide, of all claims against Your Regional Franchise Owner. You do not have the right to exercise this option to renew unless all monies owed are paid current to Us, suppliers and vendors and there are no defaults under the terms of this Agreement.

E) If You continue to operate after the end of the Term or any Renewal Term without exercising an option to renew, You shall be deemed to be operating on a month-to-month basis under the terms

and conditions of Our then-current form of renewal franchise agreement. In such circumstances, and notwithstanding the foregoing, We may, on ten (10) days written notice, terminate Your franchise agreement.

F) If the renewal agreement has not been executed prior to its expiration date, a renewal late fee of One Hundred dollars ($100.00) per day will be due to Us as reimbursement of Our costs due to Your delay in processing the renewal agreements.

4.3 Notice Required By Law

If a state or federal law should require Learning Express to provide You with a longer notice period, then this Agreement will remain in effect on a month-to-month basis until We have given You the amount of notice which the law may require. You must, however, have a Store lease which is effective during this post-expiration period.

5. Trademarks

5.1 Ownership of the Marks

You acknowledge that We are the sole owner of the Trademarks ("Trademarks or "Marks") and domain names (whether containing Our Marks or not), used to identify the System and any and all other proprietary marks and characteristics relating to Our business which are licensed to You under this Agreement. Your right to use the Marks is derived solely from this Agreement and is limited to Your conduct of business pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures. Your unauthorized use of the Marks will constitute a material breach of the terms of this Agreement. It is expressly recognized that all goodwill associated with the Marks, including any goodwill which may arise through Your activities, belongs exclusively to Us.

5.2 Identification of the Business

You must use the Marks as the sole identification of the Franchised Business and must identify Yourself as the independent owner in the manner prescribed by Us. You must not use any of the Marks as part of a business entity or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than expressly licensed to You), or in any modified form, nor can You use any of the Marks in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Us. You agree to prominently display the Marks on, or in connection with in-store displays, forms, stationery and packaging materials designated by Us. You also agree that You will not display the trademark, service mark, trade name or logo of any other person, firm or company in Your Store without Our express prior written consent.

5.3 Trademark Prosecution

You expressly agree that during the term of this Agreement, and after its expiration or termination, You cannot directly or indirectly contest or aid in contesting the validity or ownership of the Marks. You agree to promptly notify Us of any claim, demand, or suit based upon, or arising from, the use or attempted use by any other person, firm or corporation, of the trade name, service and/or trademarks licensed here, or any Mark, copyright, or colorable variation, in which We have a proprietary interest. In the event We, in Our sole discretion and option, undertake the defense or prosecution of litigation, You agree to execute and convey

any and all documents and do all acts and things as may, in the opinion of Our counsel, be necessary to carry out this defense or prosecution, either in Our name or in Your name, as We may elect, at Our expense.

5.4 Change of the Trademarks

If, at any time, in Our sole discretion, We determine that it is advisable for Us and/or You to modify or discontinue the use of any Mark, or use one or more additional or substitute trade names, trademarks, service marks, or other commercial symbols, You agree that after notice from Us, You will comply within a reasonable time. This may include changing signs, graphics, interior trade dress, interior decor, labels, products and supplies at Your sole expense.

5.5 Signs

You must prominently display, in places prescribed by Us, upon the structure at which the Franchised Business may be located, advertising signs of such nature, form, color, number, location and size, containing those legends of which We approve. You must use and maintain in good condition all interior and exterior signs for Your Franchised Business premises.

6. Proprietary Information

6.1 Our Trade Secrets

We possess proprietary knowledge comprising methods, techniques, systems, drawings, specifications, procedures, information (including that pertaining to customers of the System), vendor lists and vendor terms, knowledge of and experience in the design and operation of the Franchised Business and the purchase and sale of authorized and approved products and services (collectively, the "Trade Secrets"). You acknowledge that You had no part in creating or developing, no prior knowledge of and no other rights or claims in or to, any element of the System, including Our Trade Secrets. We, or Your Regional Franchise Owner, will disclose the Trade Secrets to You by furnishing information regarding equipment, supplies, inventory, layouts, vendor lists, specifications and guidance in the development of the Franchised Business, the training program, Our Confidential Operations Manuals and by guiding You during the term of the Agreement. You understand and acknowledge that You will not acquire any interest in the Trade Secrets, other than the right to utilize the Trade Secrets in the development and operation of the Franchised Business during the term of this Agreement. Information other than Trade Secrets, that belongs to Us or is licensed by Us, that is of a confidential or secret nature and not generally known to the public is deemed to be "Confidential Information" and shall be treated by You as You are obligated to treat Trade Secrets.

6.2 Confidentiality of the Trade Secrets

You acknowledge that, except to the extent that the Trade Secrets are or become generally known in the industry, they are confidential and You agree to maintain this confidentiality during and after the term of this Agreement and any renewal term, and will adopt and implement all reasonable procedures prescribed by Us to prevent unauthorized use or disclosure. You must not copy, duplicate, record, or otherwise reproduce these materials or make them available to any unauthorized person. You agree not to divulge Our Trade Secrets to toy representatives, toy suppliers or toy competitors. You also agree not to disclose or post the Trade Secrets on the Internet.

6.3 Confidential Operations Manuals

In order to protect the reputation and goodwill associated with the name and Marks, and to maintain the uniform standards of operation, You will conduct Your Franchised Business in strict accordance with Our System Standards as provided in the Learning Express Confidential Operations Manuals (also referred to as the "Manuals") and otherwise in writing. Any required System Standards exist to protect Our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to You. The required System Standards generally will be set forth in the Manuals or other written materials. The Manuals also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided You meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect Our interests in the System and the Marks, We reserve the right to determine if You are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines. The Manuals remain Our property; We make them available to You on the Learning Express Intranet. We will amend and update the Manuals as conditions warrant, and make it available to You over the Learning Express Intranet or sent by electronic transmission. You agree:

A) To treat the Manuals, including all updates, as confidential and not disclose the contents to unauthorized persons. Authorized employees must sign the Learning Express Confidentiality Agreement as set forth in Addendum D.

B) Not to disclose usernames and passwords provided to You to access the Learning Express Intranet;

C) Upon Our demand or upon the termination or expiration of this Agreement, Your access to the Manuals will cease.

D) That Our Manual and other System communications will be in the English language only.

6.4 Customer Information

Any and all customer lists and their contents relating to the Franchised Business, whether compiled or developed by You or any other person, are owned by, and are the proprietary property of, Learning Express (whether supplied by Learning Express or not) and You shall not use the customer lists for any purpose whatsoever other than in the normal conduct of the Franchised Business during the term of this Agreement. To the extent that You may have or claim any right, title or interest in or to such customer lists and contents, You agree to, and do hereby, assign to Us all of Your right, title and interest therein. Upon termination or expiration of this Agreement, You will, upon demand, promptly deliver to Us a complete list of current and former customers, including name, telephone number, complete mailing address, and other information concerning such customers as requested by Us. You expressly acknowledge that Your ability to operate, develop and expand the Franchised Business is based largely on the goodwill of the Marks and know-how embodied in the Learning Express System. Accordingly, You agree that We are the sole owner of all customer lists and relationships and all other goodwill arising from Your operation of the Franchised Business. Any attempt by You to offer any services or product similar to those provided by the Franchised Business to any customers or prospective customers of the Franchised Business following any expiration or termination of this Agreement shall be a violation of our rights in such customer lists and relationships and goodwill. You agree that in the event of any such action or threatened action by You, We shall be

entitled to a preliminary or permanent injunction or other equitable relief to restrain such actions, and to recover its damages equal to the amount of profits received by You from any such action in violation of Our rights.

6.5 Talent Release

You, Your Owners and each of Your employees agree that We and Our affiliates have the right and permission to make, use and publish the photographs/film/videotapes/ electronic representations and/or sound recordings made in connection with Our training, marketing, events, and other materials utilized or developed in connection with the System and We and Our affiliates are authorized to reproduce, copyright, exhibit, broadcast, and distribute the photographs/film/videotapes/electronic representations and/or sound recordings at Our discretion without limitation and compensation.

7. Franchise Fees

7.1 Initial Franchise Fee

You will pay Learning Express the initial franchise fee listed in Section 1.6. If this is Your first Learning Express franchise, the initial franchise fee for a single retail location, will be Thirty Five Thousand dollars ($35,000.00). We must be in receipt of the Initial Franchise Fee before You sign a lease naming Your corporation as a d/b/a Learning Express and before You attend our New Store Owner Training program. You understand and acknowledge that Learning Express has earned this fee because of the award of this franchise. The fee is fully earned upon Learning Express signing this Agreement, and will not be refunded or forgiven for any reason.

7.2 Additional Franchise Fees

A) Subsequent Locations. For each additional franchise for which You qualify, the initial fee will be Fifteen Thousand dollars ($15,000.00). To obtain additional Learning Express franchises, You must satisfy Our criteria for new franchisees, demonstrate Your ability to provide adequate time and attention to each unit of a multi-unit endeavor, not be in default of any franchise or other agreement with Us and have opened all Stores for which You have signed franchise agreements. You must submit Our Notice of Intent, which is attached hereto as Addendum A to this Agreement and provide the information requested. You must execute Our then current form franchise agreement for each additional franchise. You are not entitled, however, to operate a Subsequent Location absent Learning Express' prior written consent, which Learning Express can withhold at its sole discretion.

B) Satellite Locations. You may operate one or more Satellite Locations to Your Store. You are not entitled, however, to operate a Satellite Location absent Learning Express' prior written consent, which Learning Express can withhold at its sole discretion. Training sessions are currently held at Our headquarters in Devens, Massachusetts, although the location is subject to change. There is no franchise fee paid in connection with the operation of a Satellite Location. The operation of a Satellite Location requires the complete submission of Our Notice of Intent ("NOI") form, which is Addendum A to the Franchise Agreement, and the NOI's required attachments. An additional store is considered a Satellite Location to Your Store if it satisfies one or more of the following requirements:

i. The additional store is located within the Designated Territory of Your Store.

ii. The additional store has a lease term that is less than two (2) years.

iii. The lease for the additional store includes landlord termination rights that effectively reduce the guaranteed lease term to less than two (2) years.

If, at any time, Your Satellite Location does not satisfy one or more of the above requirements, then You will be required to execute a separate, then-current Franchise Agreement for the Satellite Location and pay the additional Initial Franchise Fee described in 7.2A.

At such time Your Satellite location extends beyond the two (2) years, regardless of any lease conditions, then You will pay the additional license fee of Fifteen Thousand dollars ($15,000.00).

7.3 Royalty Fee

As a royalty for the license of intellectual property and ongoing support, (the "Royalty"), You agree to pay Us without right of offset, credit or deduction, five percent (5%) of Your monthly Gross Receipts (defined below) or a minimum of One Thousand Five Hundred dollars ($1,500.00) per month, whichever is greater. All Royalties must be received by Us, at Our offices or such other location as We may designate, on the fifteenth (15th) calendar day (or the next business day, if the 15th day is a weekend or bank holiday) of the following month. You agree to participate in Our electronic funds transfer program which authorizes Us to utilize a pre-authorized bank draft system. You must sign and deliver to Us an irrevocable authorization in the form attached hereto as Addendum E, to enable Our financial institution to debit Your account at Your bank in order to pay Us the Royalty and other amounts which You may owe Us under this Agreement or any other agreement between You and Us.

7.4 Gross Receipts

You agree that "Gross Receipts" include all forms of revenue which You receive while conducting the Franchised Business, including all forms of revenue from all locations, fundraisers, local fairs and any on-line sales. These revenues may take the form of cash, check, credit, charge account, merchandise exchange or barter. Gross Receipts includes money or credit which You receive from the sale of merchandise, from services which You or others may provide or any other service or product for which You charge separately. Gross Receipts will not include the sale of merchandise for which refunds have been made in good faith to customers or any form of tax imposed by a governmental authority, which is collected by You and actually paid to such governmental authority.

7.5 Security Interest

In order to secure the prompt performance of Your obligations under this Agreement and to secure Us with respect to the proper use and display of the Proprietary Marks and Our proprietary property, including the Learning Express trade dress, You grant Us a security interest in the equipment, furniture, fixtures, inventory and improvements at Your Store. This Agreement shall constitute a security agreement, and, You agree to execute any additional instruments required to perfect this security interest including, without limitation, a standard Uniform Commercial Code ("UCC") financing statement which may be filed immediately upon execution of this Agreement. You authorize Learning Express:

A) To file a copy of this Agreement, a UCC financing statement and any other documents that may be necessary to perfect the security interest granted herein and;

B) To sign on Your behalf and to file in any jurisdiction with or without Your signature, financing statements with respect to this security interest and security agreement.

7.6 Payment by Credit Card

You agree that all payments made to Us in the form of a credit card will incur a fee of three and one half percent (3.5%) of the invoice. This fee is collected with the credit card, at the same time the invoice is processed. This fee is subject to change.

8. Franchisee Advertising and Promotion

8.1 Grand Opening Advertising

You acknowledge the value of initial advertising and promotion. Therefore, You agree to spend the minimum set forth in Section 1.8 of this Agreement for advertising and promotion of the opening of Your Store's operations in accordance with the Grand Opening Manual. We will assist You in developing the Grand Opening Advertising Campaign, and You agree to spend the full Grand Opening Advertising Budget, according to Our recommendations.

8.2 Local Market Advertising

In acknowledging that You must further the public image and recognition of Your Store, You agree to spend at least three percent (3%) of Your Gross Receipts on advertising and promoting the Store in Your local market area. At Our discretion, all local advertising and promotion shall be subject to Our prior review and approval. You agree to adhere to Our System Standards and advice regarding Your advertising and promotion efforts and expenditures. At Our request, You agree to submit to Us or Our designated agency, for Our approval, all sales promotion materials and advertising to be used by You, including without limitation, newspaper, radio and television advertising, signs, promotional items and products, posters, boxes, bags, wrapping paper and digital media. Your local market advertising program shall be in strict conformity with the policies established and amended from time to time in the Manuals. As a portion of the required local market advertising spend, We strongly recommended that You participate in each corporate-sponsored marketing publication (i.e. catalogs, postcards, tri-folds and flyers) as outlined in Our Operations Manual.

8.3 Learning Express National Advertising Fund

We reserve the right to require You to contribute (and You agree to pay to Learning Express) up to one percent (1%) of Your Gross Receipts, in addition to those expenditures which You will be obligated to make under Section 8.2 above. The money collected will be placed in the Learning Express National Advertising Fund, to be used for the design, administration and placement of advertising programs. You will, upon sixty (60) days' prior written notice from Us, pay this contribution in the same manner specified in Section 7.3 above. Currently We do not collect a national advertising fee. We reserve the right to institute this fee at any time.

8.4 Use of Learning Express National Advertising Fund

The Learning Express National Advertising Fund will be used for the design and production of printed and electronic media and the payment of administrative expenses to Learning Express or its advertising agencies. It is understood and agreed that Learning Express may use the Learning Express National Advertising Fund to offset its in-house advertising and design costs whether in print or electronic media. You acknowledge that Learning Express will use its good faith discretion in the administration of the Learning Express National Advertising Fund and that Learning Express will not allocate or spend money from the Learning Express National Advertising Fund to benefit any particular franchisee or group of franchisees on a pro rata basis. There is no fiduciary duty owed to You by Learning Express by virtue of the Learning Express National Advertising Fund nor is any trust created thereby. Within ninety (90) days of the end of each fiscal year, You may request a copy of the annual financial statement of the Learning Express National Advertising Fund.

8.5 Community Service

You acknowledge the importance of participating in and servicing community organizations, and We encourage You to become a member of one or more civic organization(s) in the community in which Your Store is located. It is recommended that You participate in Our Fund Raising Programs and any other Community Service Programs that We develop.

8.6 Franchisee Development of Advertising Materials

You agree during the term of this Agreement, to make available to Us for use by other parties, all advertising, marketing and other promotional materials that You develop. We require all other franchisees to share developed advertising, marketing and other promotional concepts in the same manner.

8.7 Advertising Campaigns

From time to time during the term hereof, We have the right to establish and conduct promotional campaigns on a national or regional basis, which may, by way of illustration and not limitation, promote particular products or marketing themes. You agree to participate in such promotional campaigns upon such terms and conditions as We may establish. You acknowledge and agree that such participation may require You to incur mailing and other costs and to purchase point of sale advertising material, posters, flyers, product displays and other promotional material. Nothing herein shall be construed to require You to charge any prices for the goods and services offered at other than those determined by You in Your sole and absolute discretion.

8.8 Digital Marketing Control

We restrict, designate, and have the right to approve or control all of Your digital marketing activities, including advertising, marketing, e-mail marketing correspondence, digital content, social media, E-commerce and electronic communications. This includes any websites and Social Networking and Marketing activities, including but not limited to Twitter, Facebook, Foursquare, LinkedIn, Pinterest or any social media outlets. If We provide consent to a Digital Marketing Channel, We or Our designee must be provided administrator access to that Channel within twenty-four (24) hours of publishing.

You shall not establish a web site without Our consent. We retain the sole right to control all Internet and Intranet activity and the creation of web sites. All Learning Express web sites will be hosted by Us or a designated web hosting partner. We maintain the Learning Express Internet Website and provide You with

access to Our website and a store page contained within Our website for Your Local Store Franchise. Each Local Store Franchise is required to keep current and maintain their Store page. We may require You to utilize E-commerce products or services designated by Us, which We may change without notice. You acknowledge that We are the owner of all right, title and interest in and to such domain names as We shall designate.

You may be eligible to participate in Our current E-commerce activities if You are in compliance with Our current E-commerce Policy. You must follow the most current rules and regulations published in the Confidential Operations Manuals or other manuals as they pertain to these channels. We require You to utilize all E-commerce products or services designated by Us. Any digital or electronic content published must be within Brand communication standards and is subject to approval by Us. All digital imagery bearing any of Our Marks is subject to approval by Us. All instructions by Us which are deemed to restrict, designate or control E-commerce activities must be responded to within twenty four (24) hours. We may approve or control any existing or future (not yet developed) or other advertising or social networking services or daily deal sites of the Franchised Business, including the sending of bulk e-mail or facsimiles, other than in accordance with the guidelines in the Confidential Operations Manual or otherwise as We specify in writing. We have the right to terminate Your participation in E-commerce in Our sole discretion if We deem necessary to protect Our Brand.

We, Our computer support partners and Your Regional Franchise Owner have the right to access Your information stored on the central server and Your QuickBooks Online accounts without limitation or notice to You. Access may be for analysis, support and/or service purposes. You must provide and keep current a specific number of corporate accounts that will allow access to Your stored information. We may require You to use a designated ISP and prescribed method for transmitting electronic data.

8.9 Gift Card Program

We require You to participate in our Gift Card Program. The initial cost to participate in this program is Three Hundred Seventy Five dollars ($375.00), which covers the cost of the initial online setup paid to Us, a gift card counter display, signage, and five hundred (500) each of gift cards, merchandise credit cards and holders. Additionally, gift cards, merchandise credit cards and holders must be purchased from Us in five hundred (500) piece increments. The cost of gift cards is One Hundred Twenty Five dollars ($125.00); the cost of merchandise credit cards is One Hundred Twenty Five dollars ($125.00) and holders for the cards are Fifty dollars ($50.00), plus applicable shipping costs. If store numbers are printed on cards, there will be an additional Twenty Five dollar ($25.00) charge. We reserve the right to adjust this fee based on a change in circumstance such as increased costs from the vendor or 3rd party, or other activity which affects the cost of providing this service.

9. Training and Assistance

9.1 Initial Training and Assistance

We, or Our designee, will make available to You and Your staff, initial orientation and training courses, before You open for business. The initial orientation and training course will be held at Our Corporate Headquarters. Additionally, We provide up to a four (4) week training program as part of Your Grand Opening, to be conducted at Your Store. We, or Our designee, will bear the cost of the initial orientation and training course, except that You will be responsible for all travel, salary and other expenses paid to or incurred by or on behalf of You or Your employee(s) in connection with this training. You will hire all initial

and subsequent employees for the Franchised Business and be exclusively responsible for the terms of their employment, their compensation and for their required training. If You hire a manager and We determine it necessary, Your manager must attend the New Store Owner Training. You will always need a sufficient number of employees to provide quality customer service during all times of the year. All employees must be hired before Your trainer arrives for Grand Opening Training.

If offered, You are required to attend the Training Program held at Our Annual Convention and Toy Fair.

In the event You and persons designated from Your management staff are required to attend additional training, held at our Corporate Headquarters, You will be responsible for all travel, salary and other expenses paid to or incurred by or on behalf of You or Your employee(s) in connection with all supplemental training.

9.2 Extra Assistance

If You request additional assistance for operational problems after You have operated Your Franchised Business for ninety (90) days, which, based on Our experience, We reasonably determine to be extraordinary, We, or Your Regional Franchise Owner, may make available to You, a qualified representative as may be reasonably necessary. You must pay all reasonable labor and, if necessary, travel and living expenses, as well as the then-current per diem rate for the representative.

9.3 Additional Services

So long as You are not in default under this Agreement, We, or Our designee, will provide You with the following additional services:

A) Access to Our Intranet.

B) Confidential Operations Manuals. We will provide You electronic access via Our Intranet, a copy of the Manuals, as more fully described in Section 6.3;

C) Advisory Services. We, or Our designee, will assist You with site-selection and lease negotiation, provide you supplier lists for furniture, fixtures and equipment, create a store fixture layout, and order Your initial product inventory, the New Store Order, on Your behalf.

Graphics support. Our graphics department will provide You with specialized graphics support for Your store, upon request.

9.4 On-Going Training and Assistance

We, or Our designee, will advise You periodically and will furnish You with on-going guidance in the operation of Your Franchised Business. This guidance will be furnished through the Manuals and all updates to the Manuals, bulletins, e-mail messages, over Our Intranet, other written materials, telephone consultations, webinars and meetings at Our offices, or on-site at Your Store.

We will provide You with the following:

A) Information concerning developments regarding additional training programs and materials;

B) A newsletter or other bulletins detailing activities of other franchisees, as well as other matters of mutual interest;

C) Media coverage, which may or may not affect Your market area;

D) Continuing advisory assistance, including but not limited to, consultation concerning the promotion and operation of the Franchised Business;

E) Information concerning the toy industry, and related products and services, and other related matters concerning the System;

F) Telephone assistance concerning the selling of any product or service and other matters pertaining to the operation of the Franchised Business;

G) Information and assessment of new products, services, product lines and other items;

H) Inventory control and Open to Buy tools to aid in inventory management;

I) Advertising, marketing and other promotional materials that We may create and develop for use by Learning Express franchisees and tools to determine return on investment of same; and

J) A store Profile Page on Our public website which will contain contact information for Your Local Store Franchise.

K) A Cloud based POS system required for the operation of your store in support of purchasing, receiving, sales, inventory and customer management functions.

You will provide Us with administrative privileges to Your QuickBooks Online account. You will pay the provider a monthly fee for the QuickBooks Online service. We reserve the right to adjust this fee based on a change in circumstance such as increased costs from the vendor or 3rd party, or other activity which affects the cost of providing this service.

We provide an Email marketing service to You, where You pay Us a rate of Twenty-Five dollars ($25.00) to One Hundred dollars ($100.00) per month, depending on the number of Emails sent in each Email campaign. We reserve the right to adjust this fee based on a change in circumstance such as increased costs from the vendor or 3rd party, or other activity which affects the cost of providing this service.

9.5 Limitation of Liability

While Learning Express agrees that it will apply, and will require Your Regional Franchisor Owner to apply, their skill and judgment to training and assisting You in the operation of Your Franchised Business, You agree that neither Learning Express, its advisors, consultants, contractors, employees nor Your Regional Franchise Owner will be liable to You or to any third party for Your performance or failure to perform.

9.6 Confirmation of Performance

After We have completed Our pre-opening obligations to You under this Agreement, We may ask that You sign and deliver to Us a confirmation (the "Confirmation of Performance"), in a form We reasonably request, verifying that We have performed those obligations. If We ask You to provide Us with such a certificate, then You agree to sign and deliver the Confirmation of Performance to Us within three (3) business days after Our request. However, if You do not reasonably believe that We have performed all of Our pre-opening obligations, You must, within that same three (3) day period, give Us written notice

specifically describing the obligations that We have not performed. Not later than three (3) business days after We complete all the obligations that You specified in that notice, You must sign and deliver the Confirmation of Performance to Us. The term "pre-opening obligations" means the obligations We have to You under this Agreement that must be performed before the date when Your Franchised Business starts its operations.

9.7 Communications

You acknowledge and agree that exchanging information with Us by electronic transmission ("e-mail") is efficient and desirable for day-to-day communications and that We and You may utilize e-mail for such communications. You authorize the transmission of e-mail by Us and Our employees, vendors, and affiliates ("Official Senders") to You during the Term and any renewal thereof. You further agree that: (a) Official Senders are authorized to send e-mails to those of Your employees as You may occasionally authorize for the purpose of communicating with Us; (b) You will cause Your officers, directors, and employees to give their consent to Official Senders' transmission of e-mails to them; (c) You will require such persons not to 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 You; and (d) You will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the Term and any renewal thereof. The consent given in this Subsection will not apply to the provision of notices by either party under this Agreement pursuant to Subsection 16.8 unless the parties otherwise agree in a written document signed by both parties.

10. Operation of Business

10.1 Compliance With the Manuals

You agree to conduct Your Franchised Business with the provisions set forth in the Learning Express Manuals, as they are changed or modified from time to time.

The Franchisor has the right to add or otherwise modify the Manuals from time to time to reflect changes in the System Standards and other specifications, standards, operating procedures and rules prescribed by the Franchisor.

The manuals contain Trade Secrets and other Confidential Information of the Franchisor and its contents shall be kept confidential by Franchisee in a secure location during the term of this agreement. If the manuals are in an electronic form, Franchisee must maintain the Manuals in a password protected file.

You acknowledge that this is necessary to protect the reputation and goodwill of the Marks and to maintain the uniform System Standards of operation throughout the Learning Express System. Adherence to the Manuals is vitally important to You, to Learning Express and to the collective success of all Learning Express franchisees.

10.2 Initial Construction of The Franchised Business

Upon delivery to You of the Store premises from Your landlord, You agree to begin construction within thirty (30) days thereafter. In connection therewith, You are responsible for the following:

A) You must obtain all required permits and licenses necessary to commence construction;

B) You must purchase all necessary equipment, furniture and fixtures, signs, supplies, opening inventory, and other items that We require You to have in order to commence doing business; Between cash in bank and loan guarantees, Your business must be fully capitalized before Grand Opening day;

C) You must construct, or cause to be constructed, all required leasehold improvements within the Store premises, and decorate the Franchised Business in compliance with the layouts and specifications approved by Us;

D) You must install all fixtures, signs and equipment required for the Franchised Business including, without limitation, the then-current point-of-sale (POS) and accounting software provided. Upon Our request, You agree to install, update or replace any equipment, including POS or software We designate for use pursuant to the System, including, software designated to facilitate or enhance communications and software designated for the purpose of recording receipts at point of sale, and to utilize equipment including totaling devices and software of a kind and in a manner as We specify in the Operations Manual or otherwise in writing; and

E) You must establish a high speed internet connection of a kind and in a manner as We specify in the Operations Manual or otherwise in writing.

F) Your POS software is provided under a Corporate License for Learning Express, Inc. The POS System will cost a minimum of Twelve Thousand Nine Hundred Nineteen dollars ($12,919.00) which includes procurement and delivery of all hardware and software required to run Your Learning Express business based on Our standard POS configuration of two (2) registers and one (1) back room workstation.

i. Hardware connectivity support and hosting services to the central application server are provided by Our third party partner. The cost of this service is One Hundred dollars ($100.00) per month and billed separately each quarter. We reserve the right to adjust this fee based on a change in circumstance such as increased costs from the vendor or 3rd party, or other activity which affects the cost of providing this service.

ii. A CounterPoint Enhancement Fee of Two Hundred Fifty dollars ($250.00) is payable to Learning Express and invoiced by Us annually, for each store You own. The CounterPoint Enhancement Fee is used to fund enhancements and/or modifications of the current POS software. This fee is subject to change.

iii. A Shared Server fee of One Hundred Eighty dollars ($180.00) is collected by Learning Express and is invoiced annually for each store You own. This fee is used to keep the central and associated hardware and software (other than CounterPoint) current and operational. This fee is subject to change.

iv. The estimated cost for two (2) External Credit Card Terminals is Four Hundred dollars ($400.00) each for pin pad devices) and is billed by the supporting credit card processor. This cost is set by the supplier and is subject to change.

10.3 Approval of Products and Services

We have developed and refined specific Trade Secrets for the sale of toys and related products and services, and We enjoy a wide public acceptance. You recognize that the image, reputation and goodwill that We have established is based upon the sale of those products and services, and as such can only be maintained and enhanced by Your sale of those quality products and services, which have acceptable standards, performance, appearance and other characteristics to be relevant. You must purchase products only from suppliers that meet Our criteria for safety, durability, value, appearance and quality. We may be one of such suppliers. We will provide You with a list of approved vendors and suppliers prior to the opening and during the operation of the Franchised Business. You agree to maintain at all times an inventory of recommended products, in sufficient supply to satisfy reasonable customer demand.

The Learning Express system works best when franchisees carry a core of best-selling products recommended by Us and round out the product assortment with local market best sellers. Accordingly, You agree to use reasonable efforts to review Our New Store Order and carry a substantial percentage of such products.

If You wish to sell a product which has not been previously authorized, approved or recommended by Learning Express, then You must furnish information about the product and the supplier. We will notify You only if the product is not approved. If We advise You that the product is not approved or not appropriate to Our Brand, You agree to use up Your unused inventory or immediately dispose of such inventory, at Our option. You must require all vendors not previously approved by Us to comply with all state and federal toy safety mandated regulations.

In order for Us to provide accurate sales information to You and other franchisees, You agree to conform to the Learning Express product identification numbers and category designations.

10.4 Management of Business

You understand and agree that active full-time participation of the franchisee is a critical element of the system. You will devote a minimum of thirty (30) hours per week managing, operating and developing the Franchised Business. During the term of this Agreement, You agree not to engage in any other business or investment requiring Your active participation during normal business hours that would interfere with Your managing the operations of the Franchised Business. In the event that we approve an arrangement in which the Franchised Business is managed by a qualified, full-time, management level employee who has attended the New Store Owner Training Program, You agree to devote a sufficient number of hours per week to the oversight of the Franchised Business.

10.5 Insurance

We will furnish You with minimum standards and limits for certain types of insurance coverage which You must secure and maintain at Your own expense. These minimum standards and limits may change, at Our sole discretion. We will advise You of these changes through the Manuals or other advisory memoranda, and You agree to secure immediately the changed level of coverage. As required in the Confidential Operations Manual, certain insurance which You purchase must name Learning Express as an additional insured and You must provide an updated Certificate of Insurance to Us for Our files upon the annual renewal. Your insurance policy will also provide that We will be given at least ten (10) days of prior written notice of any termination, amendment, cancellation or modification of Your policy. We also reserve the right, but not the duty, to force place coverage on Your behalf and collect from You any premium and

administrative charges that may apply if You fail to comply with the insurance requirements as stated in the Confidential Operations Manual.

10.6 Entry and Audit

We and Our designees have the right at any time during business hours, to audit the Franchised Business and Your business records and files, bookkeeping records, sales receipts, purchase orders, invoices, payroll records, sales tax records and returns, and any other records and documents. If We find that You have underreported Your Gross Receipts, You agree to pay immediately all monies owing to Us, along with accrued interest, as set forth in Section 10.8 below, as well as the costs of the audit(s). In order to preserve the validity and integrity of the Marks and to assure that You are properly employing their use in the operation of the Franchised Business, We, or Your Regional Franchise Owner, will at all times have the right to observe the manner in which You are offering for sale products and services to the public and to confer with Your employees and customers. Any evaluation or inspection We conduct is not intended to exercise, and does not constitute, control over your day-to-day operation of the Business or to assume any responsibility for Your obligations under this Agreement.

10.7 Records and Reports

A) You agree to record all Gross Receipts of the Franchised Business in a manner and on forms prescribed by Us. You must keep and preserve during the term of the Agreement, full and complete books of account that accurately reflect the day-to-day operations of the Franchised Business. You must submit to Us periodic reports, forms and records, as We may specify. Any intentionally false statements in these or any other reports which You provide to Us shall be grounds for immediate termination of this Agreement. All profit and loss statements and balance sheets must be prepared in accordance with generally accepted accounting principles, applied on a consistent basis, and must be submitted to Us for Our examination at Our option. You must also submit to Us other periodic reports, copies of purchase orders, forms, information and records (including, without limitation, federal tax returns, monthly sales tax reports and monthly reports on advertising). You agree to maintain all records of the Franchised Business for five (5) years.

B) You will compile and provide to Us, in the manner specified by Us, any statistical or financial information regarding the operation of Your Local Store Franchise, the products and services sold by it, or data of a similar nature including, without limitation, any financial data that We believe that We need to compile or disclose in connection with the sale of franchises or that We may elect to disclose in connection with the sale of franchises. All data provided to Us under this Paragraph will belong to Us and may be used and published by Us in connection with the Learning Express System.

C) On or before the third (3rd) business day of each month, You agree to send electronically or via facsimile to Our offices, or such other location as We may designate, Our then current version of the Monthly Sales Worksheet (the “Worksheet”), containing all the information and detail supporting reports from Your point of sale system, as we may specify. We collect data related to sales, customer and inventory activity on a daily basis. The information so provided each day, may be included in the “Best Sellers” information presented on the Intranet. If in the future, We develop methods to retrieve this information from our POS system, You agree to participate in the process using methods and procedures developed by Us or Our assigned partners.

10.8 Late Payments

All Royalty Fees, advertising fees, amounts due for Your purchases from Us and other amounts which You owe Us, will, at Our option, bear interest after the due date at the rate of three percent (3.0%) per month, or the maximum rate permitted by applicable law, whichever is less. You acknowledge that the foregoing does not constitute Our agreement to accept payments after they are due or Our commitment to extend credit to, or otherwise finance Your Franchised Business. In order to protect Our Brand You further agree that upon Your delinquency of any amounts due to Us under this Agreement or any Learning Express trade vendor, We have the right to restrict Intranet access, withhold graphics support and notify any trade vendors with whom We have negotiated a discount, terms or other material benefit on Your behalf of Your delinquency so as to suspend those benefits until You are current with Your financial obligations to Us and/or any Learning Express trade vendor. We have the right to restrict Your ability to sell gift cards at Your store if You have any past due balance of more than sixty (60) days to Us until You are current with Your obligations to Us. Further, You acknowledge that Your failure to pay all amounts when due will constitute grounds for termination of this Agreement. In Our sole discretion, We can apply any of Your payments to any of Your past due indebtedness to Us.

10.9 Your Bank Account

You agree to open and maintain a bank account and to follow banking and administrative procedures which We may require of You. You also agree to maintain an account (with sufficient available funds) in a bank which can administer wire transfers or electronic funds transfers for the purpose of paying Your Royalty Fees and other amounts due Us and agree to do so or as set forth in Section 7.3, as We may otherwise direct.

10.10 Specifications, Standards and Operating Procedures

You recognize the importance of maintaining the highest standards of quality for performance, appearance, and service of the Stores. Therefore, You agree to maintain these high standards by complying with System Standards and other specifications and operating procedures relating to the operation of the Franchised Business which We have established including, without limitation, the safety, cleanliness and appearance of the Franchised Business premises, fixtures, equipment, supplies and products; the quality of products and services sold by You in Your Store; the use of Our Marks and the use and protection of Our Trade Secrets; the display of advertising materials; the use and display of signs, posters, merchandising and promotional materials, the training and appearance of employees; customer service standards; the preparation and retention of records and reports; the use and retention of standard forms; the materials and supplies used in operation of the Franchised Business; the establishment of school and civic fundraising programs, a corporate toy service program, and Your identification as the independent owner of the Franchised Business in the manner We direct.

10.11 Compliance With Law

You agree to operate the Franchised Business in strict compliance with applicable laws, rules and regulations of all governmental authorities. You agree to be responsible for knowledge of, and compliance with, all applicable laws and regulations of the federal, state or local governments. It is Your responsibility to make sure that You are in compliance with all laws that are applicable to the POS System or other technology used in the operation of Your Franchised Business, including all data protection or security laws as well as Payment Card Industry (PCI) compliance. You also agree to prepare and file all appropriate tax returns when due and to pay promptly all taxes imposed on You and upon Your Franchised Business.

10.12 Suggested Retail Prices

Although We may provide You with suggested retail prices, You acknowledge and agree that any list or schedule of prices which We furnish to You is by way of recommendation and is not binding on You or mandatory. However, certain pricing guidelines are required for E-commerce and direct mail participants as specified in the Operations Manual or otherwise in writing.

10.13 Your Employees

You agree to employ and properly train a sufficient number of competent employees and, where appropriate, managers, of good character and of neat appearance to service the customers of Your Store in keeping with Our service-oriented philosophy. It is understood that You will have sole responsibility for Your employees and all acts of Your employees, and all employment-related decisions involving wages, benefits, hours of work, scheduling, hiring, firing, discipline, supervision, record keeping, withholding income tax, social security contributions, Medicare contributions, unemployment fund contributions and all other terms and conditions of employment. You must disclose to each of Your employees in writing, in a form approved by us in advance, that We are not a "joint employer" of the Franchisee's employees. You acknowledge that We do not control Your personnel policies.

10.14 Taxes

You agree to pay any tax imposed by the state in which Your local store is located if such tax is imposed on Royalties or other payments made to Us hereunder.

10.15 Incurring Debt

You agree that You have not, and will not, borrow money for the business for any non-business related purpose without Our prior written consent. If You secure a loan for the business, You will be required to provide Us with a copy of the loan documentation.

10.16 Financials

You agree to provide complete financials including Profit and Loss, Balance Sheet and payables report to Us annually.

10.17 Hours of Operation

You agree to be open for business the recommended minimum Store hours or as required by Your landlord or municipal guidelines. Depending upon Your location, You may be obligated to maintain longer hours of operation during the holidays.

10.18 New York Toy Fair

You agree that You or Your representative will attend the annual Toy Fair in New York City, or such other location determined by the Toy Industry Association.

10.19 Annual Convention

You agree that You or Your representative will attend the Annual Convention scheduled by Learning Express for all franchisees and Regional Franchise Owners in various US destinations as determined by Us.

10.20 Independent Contractor and Indemnification

A) You understand and agree that this Agreement does not create an agency relationship between Us, that You are an independent contractor and that nothing in this Agreement is intended to make either You or Learning Express a general or special agent, legal representative, subsidiary, joint venture partner, or other partner, or employee of the other. Neither You nor Learning Express will make any express or implied agreements, warranties or representations, or incur any debt, in the name of or on behalf of the other or represent that Our relationship is other than Franchisor and Franchisee. Neither You nor Learning Express will be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized, nor will Learning Express be obligated for any damages to person or property directly or indirectly arising out of the operation of the Franchised Business authorized by or conducted pursuant to the license awarded hereby.

B) You agree to indemnify and hold Us, Our subsidiaries, affiliates, stockholders, directors, officers, employees, agents, assignees and Your Regional Franchise Owner harmless against, and to reimburse them for, all obligations, actual and consequential damages and taxes for which any of them is held liable and for all costs, reasonably incurred by any of them in the defense of any claim brought against any of them or in any action in which any of them is named as a party, arising directly or indirectly from any act or omission of Yours or any of Your shareholders, directors, members, managers, officers, employees, representatives or agents, as a result of, or in connection with the operation of Your Franchised Business, the actions of any of Your shareholders, directors, members, managers, officers, employees, representatives or agents, or any action arising from an allegation of a violation of labor or employment law, including but not limited to any violation of the Americans with Disabilities Act; or by reason of any act occurring on, at or from the premises of the Franchised Business or by reason of an omission relating to the operation of the Franchised Business, as well as the costs, including reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses We incur in defending against such claims or actions. The indemnities and assumptions of liabilities and obligations will continue in full force and effect following the expiration or termination of this Agreement.

C) We will not take responsibility for the actions of Your employees, nor will We take any control over Your employees' employment, discharge, pay or working conditions. No employee of Yours will be deemed to be an employee of Ours for any purpose whatsoever, and nothing in any aspect of the System or Trademarks in any way shifts any employee or employment related responsibility from You to Us. You alone are responsible for hiring, firing, training, setting hours for and supervising all employees. As between Us and You, You are solely responsible for the safety and well-being of Your employees and the customers of Your Franchise Business.

10.21 Renovations to Premises

After Your Store has been in operation for ten (10) years, Learning Express may direct You to complete renovations which are part of an individual or system-wide updating program. You agree to complete such renovations at Your own expense at such time as reasonably directed by Learning Express.

10.22 Trade Accounts

You agree to promptly pay all accounts and indebtedness of every kind incurred by You in the conduct of the Franchised Business and to inform us if any trade vendor account is more than thirty (30) days past due. You further agree that upon termination of this Agreement we have the right to notify trade vendors of the termination and collect amounts due to trade vendors from You under the Guaranty of Performance, Addendum B to this Agreement.

In order to protect Our Brand We have an unrestricted right to communicate to Our vendors information regarding Your Store and Franchised Business that would include past due invoices with vendors or Us.

10.23 Innovation

You agree to promptly disclose to Us all Innovations, whether or not protectable intellectual property, and whether created by or for You or Your Owners or employees. All Innovations will be deemed Our sole and exclusive property and works made-for-hire for Us. We have the right to incorporate Innovations into the System and may use them and may authorize You and others to use them in the operation of Learning Express businesses. Innovations will then also constitute Confidential Information. We will disclose to You Innovations that are made a part of the System in this manner. To the extent any Innovation does not qualify as a work made-for-hire for Us, by this paragraph You assign ownership of that Innovation, and all intellectual property and other rights to the Innovation, to Us and agree to sign and deliver such instruments and documents, provide such assistance and perform such other acts as We periodically designate in order for Us or Our designee to obtain exclusive rights in such Innovations. We will have no obligation to make any lump sum or other payments to You or any other person with respect to any such Innovations. You will not use, nor will You allow any other person to use, any such Innovations, whether in connection with the Franchise Business or otherwise, without obtaining Our prior written approval. You also agree that if You shall develop any new trademarks, service marks, trade names and trade symbols, trade dress, signs, slogans, associated logos, designs, e-marks, copyrights, emblems, concepts, processes or improvements in the operation or promotion of the Franchised Business, We will immediately become sole owner and licensor.

11. Assignment and Right of First Refusal

11.1 Assignment by Learning Express

We may freely transfer or assign Our rights and obligations under this Agreement to any person, corporation or other entity. The transfer or assignment will be binding upon and will inure to the benefit of the successors and assigns of Learning Express.

A) You agree that Learning Express has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities under the Trademarks or any other marks following Learning Express' purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which You acknowledge may be within Your Designated Territory, proximate thereto, or proximate to any of Your locations). In the event of any territorial conflict or overlap, Learning Express shall use its best efforts to resolve same within nine (9) months of any such purchase, merger, acquisition or affiliation.

B) You agree and affirm that Learning Express may: sell itself; its assets; the Trademarks and/or the System to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other business entities, or be acquired by another business entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, You expressly and specifically waive any claims, demands or damages arising from or related to the loss of Learning Express' name, Marks (or any variation thereof) and System and/or the loss of association with or identification of Learning Express as the Franchisor under this Agreement.

11.2 Assignment by You

You understand and acknowledge that the rights and duties created by this Agreement are personal to You (and Your owners, if You are a business organization, as defined hereinafter), and that We have awarded this license in reliance on many factors, including without limitation, the individual or collective character, skill, aptitude and business and financial capacity, of You and any person owning an interest in You. Accordingly, neither You nor any person owning any direct or indirect equity interest in You, shall without Our prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest: (a) in this Agreement or any portion or aspect thereof; (b) the Franchised Business; (c) in the assets (excluding this Agreement) of the Franchised Business, or (d) any equity or voting interest in You nor permit the Franchised Business to be operated, managed, directed or controlled directly or indirectly, by any person other than You (any such act or event is referred to as a “Transfer”), without Our prior written approval. Any such purported Transfer occurring by operation of law or otherwise, including any Transfer by a trustee in bankruptcy, without Our prior written consent, shall be a mutual default of this Agreement, but the transferor shall remain obligated under this Agreement until released by Us, or until this Agreement is terminated and all post-term obligations pursuant to Section 14 are fulfilled. You further agree to follow all assignment procedures required by the Learning Express Manual, including the accountability of gift cards and store credit liabilities prior to Transfer.

A) Right of First Refusal. If You desire to engage in a Transfer, You shall deliver to Us written notice setting forth all the terms of the proposed Transfer and all information that We request concerning the proposed assignee. We shall have the option, during ten (10) days after receipt of the notice or ten (10) days after receipt of all additional information We request, to purchase the Franchised Business and accept assignment of this Agreement on the terms contained in the notice, provided that We shall have the right to substitute cash for any non-cash consideration described in such notice. If We exercise this option, the purchase of the Franchised Business by Us must be completed no later than thirty (30) days after Our notice to You of Our purchase election.

B) If We do not exercise this option during such ten (10) day period, then You may, during the following one hundred twenty (120) days, transfer the Franchised Business and assign this Agreement to the proposed assignee on the terms in the notice, provided that the assignment shall be made, without limitation, in compliance with this Section 11.2C. Any proposed Transfer not completed within such one hundred twenty (120) day period or any material change in the terms of the proposed transaction prior to closing, shall constitute a new offer and shall require compliance with this Section 11.2A.

C) Permitted Transfers. If We elect not to exercise Our right of first refusal, Our approval to a proposed Transferee shall not be unreasonably withheld. However, without limitation of the

foregoing, imposition of any or all of the following conditions precedent to Our approval shall be deemed to be reasonable:

i. that the proposed assignee or, if the proposed assignee is a business organization, its principal officers, stockholders, directors, partners, members or managers, attend a personal interview at Our offices, demonstrate skills, qualifications and economic resources necessary in Our reasonable judgment, to operate the franchise that this Agreement contemplates, and, in any event, shall at least be equal to Your skills, qualifications and financial resources;

ii. that the proposed assignee expressly assume in writing, for Our benefit, all Your obligations under this Agreement including, without limitation, payables to landlord, vendors and other Learning Express franchisees;

iii. that the proposed assignee shall have completed Our New Store Owner Training Program to Our sole, subjective satisfaction, at the assignee's sole cost and expense;

iv. that as of the date of any such Transfer, You shall have fully complied with all of Your monetary and non-monetary obligations to Us under this Agreement and any other agreement, arrangement or understanding;

v. that the proposed assignee executes Our franchise agreement then being offered to prospective franchisees, except that no initial franchise fee shall be required from the proposed assignee and the term of the Agreement shall be modified to equal the remaining term under this Agreement. Under no circumstances may You transfer any assets including, without limitation, inventory, fixtures, or lease to an entity intending to operate a retail toy store at the franchise location without first ensuring that the proposed transferee has executed a Learning Express franchise agreement;

vi. that the proposed assignee pay Us on or before the date of transfer a transfer fee equal to Fifteen Thousand dollars ($15,000.00) to cover Our expenses relating to such Transfer and the training required under this Agreement;

vii. You must execute a general release, in the form which We provide, of all claims against Learning Express, its affiliates, stockholders, directors, officers, employees, agents and Your Regional Franchise Owner;

viii. if We request, assignee, at its expense, shall upgrade the Store to conform to the then-current System Standards of Stores then being established in the System, and shall complete the upgrading and other requirements within the time specified by Us.

You agree that You will not retain a security interest in the Franchised Business or its assets without Our express prior consent.

If You are a Business Organization, any owner whose ownership is the subject of a Transfer and any third party who acquires the ownership interest, shall be subject to the provisions of the covenants set forth in Section 15 of this Agreement after the Transfer has been completed.

D) Transfer upon Death or Permanent Incapacity. Immediately following Your death or permanent incapacity (or if You are a corporation, immediately following the death or permanent incapacity of

the major stockholder, or if You are a limited liability company, immediately following the death or permanent incapacity of the manager or a majority member), Learning Express or Our representative may assume operation of the Franchised Business, if there are no qualified members of Your immediate family available to do so. We will allow Your estate to assign the Franchised Business to a member of Your immediate family, provided that he/she/they meet Our reasonable qualifications to operate the Store. Immediate family members shall mean Your parents, Your children, Your siblings or Your spouse or domestic partner. Your heirs shall also have the right to sell the Franchised Business, provided that they follow the requirements of Section 11.2C. In lieu of the right of first refusal as set out in Section 11.2A, Learning Express will have the right to purchase the Franchised Business at a price representing the average appraisal of the Franchised Business made by three (3) independent business appraisers (the "Buy-Out Price"). We will choose one (1) appraiser, Your estate will choose one (1) appraiser and the two (2) appraisers so chosen will choose the third appraiser. This right of first refusal in Learning Express shall extend for a period of ninety (90) days following Your death or permanent incapacity. You agree that Your heirs, beneficiaries and successors will sign all documents which Learning Express may require to show that the franchise and the Franchised Business were acquired by Learning Express, upon the payment of the Buy-Out Price. You agree that permanent incapacity will mean that You are unable to operate the Franchised Business on a full-time basis for six (6) consecutive months. Once You are considered to be permanently incapacitated, You or Your legal representative must transfer the Franchised Business as provided for above.

11.3 Transfer to Business Organization

You may transfer this Agreement and the assets and liabilities of Your Franchised Business to a business organization or entity (i.e., a corporation, partnership, limited liability company or other similar entity) (a “Business Organization”), if all the following conditions are met:

A) The Business Organization must conduct no business other than the Franchised Business.

B) You must actively manage the Business Organization and own, control and direct its operations, either through binding written agreements, governing documents or voting power.

C) You and Your Spouse or Domestic Partner must personally guarantee performance of all of the Business Organization’s obligations under this Agreement, by signing Learning Express’ standard form of Personal Guaranty (Addendum B) and execute Learning Express’ form Confidentiality Agreement and Covenants Not to Compete (Addendum C).

D) You must provide Learning Express with copies of all governing documents (articles of incorporation or organization, bylaws, agreements among owners, etc.).

E) The governing documents of the Business Organization must recite that the issuance and assignment of any ownership interest (i.e., corporate stock, or partnership or membership interests) are restricted by the terms of this Agreement.

F) All issued and outstanding ownership interests must bear a legend reciting or referring to the restrictions of this Agreement on the issuance and transfer of ownership interests in the Business Organization.

G) As a condition of Learning Express' approval of the issuance or transfer of ownership interests to any person other than You, subject to the provisions of Sections 11.2B and C of this Agreement, Learning Express may require (in addition to the other requirements Learning Express has the right to impose) that the proposed owner sign Our standard form of personal guaranty.

H) You must promptly notify Learning Express of any proposed changes in the principal owners and the governing documents.

12. Step-In Rights

12.1 Cause for Step-In

If a material default under this Agreement occurs and remains uncured, or is not subject to cure, or if Your actions jeopardize the integrity of Our Marks or Our System, then You authorize Us or Our designee to operate the Franchised Business for as long as in Our reasonable judgment, We believe that it is necessary or practical. You acknowledge that this right to step-in is necessary to preserve the value and integrity of the System. Even if We exercise this right to step-in, You agree that We do not lose or waive a right to exercise any other rights or remedies which We may have legally under this Agreement. Among the reasons We may act under these step-in rights are:

A) We reasonably determine that You are unable to operate the Franchised Business because You are absent or incapacitated because of illness, accident, injury or death; or

B) You have not paid Your monetary obligations to Us or others when they are due; or

C) You have not removed non-consensual liens or encumbrances which have been placed against Your Franchised Business; or

D) We determine that material operational problems require that We operate Your Franchised Business for a period of time.

12.2 Duties of the Parties

During a step-in period, Learning Express will maintain in a separate account, all Gross Receipts of the Franchised Business. From that account We will pay all expenses of the Franchised Business, which will include the Royalty Fee, all advertising contributions or payments, and reasonable compensation and expenses for the representatives of Learning Express. If We exercise these step-in rights, then You agree to hold harmless Learning Express and its representatives for all actions or omissions which occur during the course of the temporary operation. You agree to pay Us Our reasonable attorneys' fees and costs which might arise from the exercise of these step-in rights. Nothing in this Section 12 will prevent Us from exercising any other rights which We may have under this Agreement, including the right to terminate the Agreement.

13. Default and Termination

13.1 Immediate Termination

If any of the following defaults occur, then We can terminate this Agreement immediately upon written notice to You without providing You with an opportunity to cure the default:

A) If You become bankrupt or insolvent or enter into any insolvency arrangement, unless You:

i. promptly undertake to reaffirm the obligations under this Agreement;

ii. promptly comply with all conditions as legally may be imposed by Learning Express upon such an undertaking to reaffirm this Agreement; and

iii. promptly comply with such other conditions and provide such assurances as may be required in relevant provisions of the appropriate bankruptcy rules and regulations;

provided, however, that the parties acknowledge that this Agreement constitutes a personal service contract and that We have relied to a degree and in a manner material to this Agreement upon Your personal promises and/or Your directors, officers, shareholders partners, members or managers, as the case may be, to participate personally on a full-time basis in the management and operation of the Franchised Business, and, consequently, the parties agree that any attempt by any other party, including the trustee in bankruptcy or any third party, to assume or to accept an assignment of this Agreement, shall be void.

B) You attempt to transfer some or all of the assets of the Franchised Business without first seeking and receiving the prior approval of Learning Express;

C) You abandon the Franchised Business or cease to operate it Yourself or with full-time management or You fail to operate for three (3) consecutive days within any twelve (12) month period without Our consent or You fail to open Your Franchised Business within one (1) year of the date of this Agreement;

D) You are convicted or plead no contest to: 1) a felony or misdemeanor which relates to the operation of Your business; or 2) a felony or misdemeanor which involves moral turpitude;

E) You commit an act or conduct Yourself so as to impair substantially or jeopardize, the goodwill associated with the Marks, the System or other affiliated or franchised Learning Express businesses;

F) You violate the provisions of Article 15;

G) You, or Your employees with Your knowledge, do not report or record all sales;

H) You do not complete Our New Store Owner Training Program;

I) You provide Learning Express with false information or You omit material information in Your initial application, whether written or oral; or

J) If You engage in any act(s) that is so dishonest, untrustworthy, self-dealing, and/or fraudulent, that it goes to the essence of the Franchise Agreement and/or frustrates one of the principal purposes of the Franchise Agreement and/or irreparably damages the trust between Us; or

K) If Your material breach cannot be cured.

L) If You or any other business entity under common control default on any other agreement with Us and the default is not cured in accordance with the terms of the other agreement.

In the event that we issue a Notice of Default hereunder, we will simultaneously notify Your trade vendors that You are no longer in good standing with us.

13.2 Termination With Notice to Cure

If You should be in default as set forth below and You do not cure that default within ten (10) calendar days of written notice by Us to You, then We can deny You access to the Learning Express Intranet and/or We can terminate this Agreement upon delivery to You of a subsequent written notice of termination:

A) If You do not or refuse to pay promptly to Us any money due Us under this Agreement;

B) If You do not or refuse to pay a trade debt, a bank debt, a landlord, a lending institution or a supplier without reasonable cause;

C) If You do not submit in a timely manner the reports or financial information which We require of You under this Agreement; or

D) If You do not comply with any other provisions in this Agreement, the Manuals or other operating directives issued by Learning Express.

In the event that we issue a Notice of Default hereunder, We will simultaneously suspend all operating assistance and Your access to the Intranet site and notify Your trade vendors that You are no longer entitled to the discount or terms benefits until such time as the Default has been cured.

13.3 Conformity With Law

If there is a valid law or regulation which limits the right to terminate or which requires Learning Express to provide You with longer notice periods, then this Agreement will be deemed amended to conform to the minimum notice periods which the law or regulations may require.

14. Rights and Duties of Parties Upon Expiration or Termination

14.1 Your Obligations

Upon the expiration or termination of this Agreement (collectively, “termination”), You agree to leave peacefully the Store premises to the possession of Learning Express, without any formal demand or notice to You, unless We notify You expressly that We will not assume the operation of Your Store. In addition, upon termination, You will:

A) Pay all Royalty Fees and all other charges or amounts which are owed to Us;

B) Pay all rents due to Your landlord through the date of termination of this Agreement;

C) Pay all amounts due to Your trade vendors through the date of termination of this Agreement;

D) Cease to hold Yourself out as a Learning Express franchisee, cease to use the Marks, System and materials, and promptly take such action as may be specified by Us in the Manual or otherwise in writing to de-identity the location of the former Franchised Business, so as to distinguish and disassociate that location from the System, Marks and Learning Express and not directly or indirectly, represent to the public that the former Franchised Business is or was operated or in any way connected with Learning Express or hold Yourself out as a present or former Learning Express franchisee at or with respect to location of the former Franchised Business;

E) Return to Us all Trade Secrets and other confidential materials, equipment and other property owned by Us, and all copies thereof, You shall retain no copy or record of any of the foregoing; provided You may retain Your copy of this Agreement, any correspondence between the parties, and any other document which You reasonably need for compliance with any applicable provision of law;

F) Cease to use in advertising, or in any manner whatsoever, any methods, procedures or techniques associated with the System in which We have a proprietary right, title or interest, and remove all physical characteristics, color combinations and other indications of operation under the System from the location of the former Franchised Business. You will cease all forms of advertising, including without limitation, all signs, advertising and promotional materials, displays, stationery, forms, and any other articles which display the Marks. Without limiting the generality of the foregoing, You agree that in the event of any termination, non-renewal or expiration of this Agreement, You will remove any items which are characteristic of the System "trade dress" (including fixtures), from the location of the former Franchised Business. In addition, You agree to return to Us, at Your sole cost and expense, all unused material containing Our Marks, including but not limited to, store transferred merchandise, Gift Cards and Certificates, Merchandise Credit Cards, VIP Cards, Professional Discount Cards, sales books, bags, stationery, gift wrap and business cards. You also agree to provide to Us or cause to be provided to Us, at Your sole cost and expense, Your customer list, in paper or electronic form owned by or required to be transferred to Us under Section 6.4. Furthermore, You shall not use, in any manner, or for any purpose, directly or indirectly, any of Our Trade Secrets, trade dress, Confidential Information, procedures, techniques, or materials acquired by You by virtue of the relationship established by this Agreement, including, without limiting the generality of the foregoing: (i) all bulletins, instruction sheets, and supplements thereto; and (ii) all product, vendor, supplier and customer lists, specifications or standards, item files, vendor files and sales history files, regardless of the method and/or media in or on which same is contained set forth or recorded. Moreover, You shall cause the item files, vendor files and sales history files to be permanently deleted or destroyed from all computer based or paper based files;

G) Discontinue the sale of gift cards.

H) At Our option:

i. Remove all signage, Learning Express property and inventory from the Store premises or should You fail or refuse to do so, then, without prior notice to You, Our agents, servants, or employees may at any time enter the premises of the formerly Franchised Business and remove any and all signs and Learning Express property from the premises, without paying for them, and without being guilty of trespass or other tort and You will reimburse Us all of Our the cost for doing so;

ii. Sell the equipment, fixtures, and usable inventory to Us at the fair market value, as We reasonably determine. You also agree to transfer all transferable licenses and permits. We will not be liable for payment to You for licenses, permits, customer information or goodwill. We will have the right to offset against the purchase price all amounts which You owe to Us;

I) At Our request, You will transfer to Us or Our designee at Your cost, all telephone, facsimile or Internet numbers (together with any domain names(s)), in use by You on the date of termination, and inform the Yellow Pages and any other directory of the same. Where no such request is made, You shall promptly cancel and discontinue use of the telephone, facsimile and/or Internet number(s) which served the Franchised Business at the time of termination and delete Your Learning Express listing in the Yellow Pages for the service area of the Franchised Business and in any other directory, including any domain name(s);

J) You hereby constitute and irrevocably appoint Learning Express, pursuant to the terms of this Agreement, with full power of substitution and revocation by Learning Express, as Your true and lawful attorney-in-fact, to the full extent permitted by law to cancel, terminate, assign, discontinue or take any and all lawful action with respect to all customer lists, telephone, facsimile or Internet numbers, including any domain name(s), Social Media accounts and comparable electronic identities, which serve the Franchised Business, including, without limitation, the power to take such steps as in the opinion of Learning Express may be necessary to delete the Learning Express listing or advertising in the Yellow Pages and any other directories and to terminate any other listing which indicates that You are or were affiliated with Learning Express. You shall indemnify and hold harmless each such telephone company, directory publisher, Internet provider and other person or entity against all costs, damages, attorneys' fees, expenses and liabilities which may be incurred or sustained in connection with or as a result of any action taken in reliance on the foregoing power of attorney, which shall be coupled with an interest;

K) Provide Us or Our designee with all records of the Franchised Business, including, without limitations, customer lists and any other pertinent information of the Franchised Business, provided You may retain such copies as are necessary for compliance with any applicable provision of law;

L) Sign all documents which Learning Express may reasonably require, to evidence the termination of the franchise and Your rights to use the Marks. You agree to appoint Us as Your attorney-in-fact, in the forms attached to this Agreement as Addenda G, H and I, or as amended by Us from time to time, with full power and authority, to sign the documents on Your behalf;

M) Not reference Learning Express or the Learning Express System in any meta tags, links or frames; and;

N) If You fail or refuse to perform any of the above obligations, then Our agents, representatives or employees may, at any time, enter the premises of the formerly Franchised Business and perform

or cause to be performed all of the above obligations on Your part to be performed, and without being guilty of trespass or other tort.

15. Non-Competition and Non-Disclosure Covenants

15.1 Non-Competition

You cannot, either directly or indirectly (e.g. through a parent, spouse, domestic partner, child or Business Organization), as a proprietor, partner, investor, lender, shareholder, director, officer, member, manager, employee, principal, agent, representative, advisor, franchisor, franchisee, consultant or otherwise, for Yourself or on behalf of or in conjunction with any other person, persons, partnership, corporation, or other business entity own, maintain, engage in, participate or have any interest in the operation of any retail or wholesale toy business selling the same or substantially similar goods or services of the System, during the term of this Agreement or for a two (2) year period following its termination or expiration, regardless of the cause thereof, at Your Store, or within a forty (40) mile radius of Your Store or a then existing franchised or affiliated Store. This prohibition against competition will apply to Your participation in, ownership of, or interest in, any method of distribution, including without limitation, mail order sales, and e-commerce. This prohibition against competition also includes the participation, ownership or interest in a competitive business, as defined above, by a member of Your immediate family, as defined in Section 11.2D above. You cannot divert or attempt to divert any business or customers of any Stores to any other competitive business by direct or indirect means. The amounts of time and distance set forth above may be divisible into units of one (1) month and one (1) mile and may be reduced, should a court find them to be unreasonable. If You are an individual, then You expressly acknowledge that You possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive You of Your personal goodwill, or ability to earn a living. Additionally, We shall have the right to seek injunctive relief to enforce Our rights and You agree to pay the attorneys' fees We incur and Our costs in connection with enforcement of this provision. In the event that You violate this non-competition covenant and without limiting any other remedies which may be available to Us, You agree to pay to Us through the expiration date hereof and, for a period of two (2) years thereafter, on a monthly basis, a fee equal to five percent (5%) of the gross receipts generated by the business conducted in violation of this Section. If You violate this provision during the term of this Agreement, then We can terminate this Agreement pursuant to Section 13.1. In no event will this non-competition covenant apply to any interest in additional Stores licensed under franchise agreements with Us.

15.2 Non-Disclosure

You acknowledge that disclosure of any aspect of the Trade Secrets, Confidential Information, System, or duplication or disclosure of the Manuals could harm Us, You and other Learning Express franchisees. You agree that at no time during or after the term of this Agreement will You disclose or duplicate in any way, or make available the contents of the Manuals, Trade Secrets, Confidential Information, or other aspects of the System to any person, corporation, other business entity or professional advisor. Such persons may have access to the materials only to the extent necessary for the transaction of business by You. You agree that no one shall be permitted to have possession of any materials or retain copies of or notes concerning any of these materials. All of the above shall be returned to Us immediately upon termination or expiration of this Agreement. We shall have the right to injunctive relief to enforce the provisions of this Section and You agree to pay Our attorneys' fees and costs in connection with such injunctive relief.

16. General Conditions and Provisions

16.1 Titles for Convenience

The titles of the sections and paragraphs are for convenience only and are not a part of this Agreement.

16.2 Entire Agreement

This Agreement, including any incorporated documents, reflects the entire agreement of the parties. All negotiations, commitments, representations and understandings of the parties (including representations made or understandings communicated via Our Disclosure Document) which have taken place are merged into this Agreement. There are no other oral or written understandings or agreements which relate to this Agreement. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations We made in the Franchise Disclosure Document that We furnished to You.

16.3 Amendment in Writing

The parties agree that no modification of this Agreement will be valid unless both parties execute such modification in writing.

16.4 No Waiver

We will not be liable if We waive any breach or default in performance by You or other Learning Express franchisees. We may require strict compliance with this Agreement even if We have waived a breach or breaches during an earlier period under this Agreement, except changes to the Manuals.

16.5 Severability

The provisions of this Agreement are severable, and in the event that any portion of this Agreement is declared illegal or unenforceable, the remainder of this Agreement shall be in effect and binding on Us.

16.6 Mediation

In order to reduce instances of possible dispute and to make the resolution of any disputes which do arise less expensive, quicker, less subject to public notoriety and to attempt to resolve disputes in a less formal and adversarial manner, as well as to increase the opportunities for Learning Express and You to maintain a mutually beneficial business relationship, We and You agree as follows:

A) ANY LITIGATION, CLAIM, DISPUTE, SUIT, ACTION, CONTROVERSY, PROCEEDING OR OTHERWISE ("CLAIM"), BETWEEN OR INVOLVING YOU (AND/OR AN OWNER OR GUARANTOR OF A BUSINESS ORGANIZATION FRANCHISEE OR WHICH COULD BE BROUGHT BY OR ON ANY SUCH PERSON'S BEHALF) AND US, EXCEPT AS EXPRESSLY PROVIDED BELOW, WHETHER ARISING OUT OF OR RELATING IN ANY WAY TO THIS AND/OR ANY OTHER AGREEMENT AND/OR ANY OTHER DOCUMENT, ANY ALLEGED BREACH OF ANY DUTY OR OTHERWISE (INCLUDING, BUT NOT LIMITED TO, THE UNDERLYING LEGALITY OF THE OFFER AND/OR SALE OF THE LEARNING EXPRESS FRANCHISE, ANY ACTION FOR RESCISSION OR OTHER SETTING ASIDE OF SUCH SALE OR ANY TRANSACTION, AGREEMENT OR DOCUMENT AND ANY CLAIM THAT THIS AGREEMENT OR ANY PORTION THEREOF IS INVALID, ILLEGAL, VOID, VOIDABLE OR OTHERWISE AND ANY CLAIM OF FRAUD) AND ON WHATEVER THEORY AND/OR FACTS

BASED, WILL PRIOR TO SUCH CLAIM BEING BROUGHT IN A COURT, BE SUBMITTED TO NON-BINDING MEDIATION. THE MEDIATION SHALL BE CONDUCTED THROUGH EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY, EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES, AGREED UPON BY THE PARTIES AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION OF ANY CLAIM (NOT TO EXCEED 15 DAYS), BY THE AMERICAN ARBITRATION ASSOCIATION (OR ANY SUCCESSOR ORGANIZATION) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN EITHER PARTY MAY BRING AN ACTION IN A COURT HAVING JURISDICTION IN ACCORDANCE WITH SECTION 16.7 BELOW.

B) ANY MEDIATION WILL BE CONDUCTED AT OUR HEADQUARTERS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING COMPENSATION AND EXPENSES OF THE MEDIATOR (EXCEPT THAT THE PARTIES WILL BEAR THEIR OWN COSTS, INCLUDING ATTORNEYS' FEES) SHALL BE BORNE BY THE PARTIES EQUALLY. ANY CLAIM, AND ANY MEDIATION, WILL BE CONDUCTED AND RESOLVED ON AN INDIVIDUAL BASIS ONLY AND NOT ON A CLASSWIDE, MULTIPLE PLAINTIFF OR SIMILAR BASIS.

C) THE OBLIGATION HEREIN TO MEDIATE WILL NOT BE BINDING UPON LEARNING EXPRESS WITH RESPECT TO CLAIMS OR ISSUES RELATING PRIMARILY TO (i) THE VALIDITY OF ANY MARKS OWNED BY US, (ii) MONIES OWED BY YOU TO US, AND/OR (iii) OUR RIGHTS TO RECEIVE AND ENFORCE A TEMPORARY RESTRAINING ORDER, PRELIMINARY INJUNCTION, PERMANENT INJUNCTION OR OTHER EQUITABLE RELIEF.

16.7 Venue: Governing Law

With respect to any claims, controversies or disputes not resolved through mediation, You hereby irrevocably submit to the state and federal courts in Massachusetts nearest Our headquarters. You hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision and agree that service of process may be made by any means allowed by Massachusetts or federal law. With respect to any action for monies owed or injunctive or other extraordinary relief, We may bring such action in any state or federal court which has jurisdiction over You. This Agreement will be governed by and interpreted by the laws of the Commonwealth of Massachusetts. You also agree to bring a cause of action against Learning Express within one (1) year of the occurrence of the facts which give rise to the claim. If any provision of this Agreement or the Manuals is found to be invalid, the remaining provisions of this Agreement or the Manuals will be considered valid and enforceable.

16.8 Notices

You agree that all written notices which are required by this Agreement or the Manuals will be considered delivered three (3) days after being placed in the U.S. Mail, by certified mail, return receipt requested, or one (1) day after being sent by e-mail or comparable electronic system or Federal Express or other receipted overnight courier service, if they are sent to the address for each party cited at the beginning of this Agreement or to another address, as long as the party with the changed address has notified the other party in writing.

16.9 Force Majeure

Except for Your obligation to pay any Royalty Fee, Learning Express National Advertising Fund contributions or other payments under this Agreement, neither of Us will be liable to the other for failure to perform under this Agreement, in whole or in part, when such failure is due to governmental restrictions, failure of utilities, strikes, labor troubles, riots, storms, fires, explosions, floods, wars, embargoes, blockades, legal restrictions, insurrections, acts of God or any other cause similar thereto which is beyond the reasonable control of the parties. In the event of such delay, the time for performance will be extended by a period of time equal to such delay if such extension is reasonably needed.

16.10 Specific Performance/Injunctive Relief

Nothing contained in this Agreement shall prohibit Us from obtaining specific performance of the provisions of this Agreement and injunctive relief against existing or threatened conduct that will cause Us loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that We may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and that Your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon a proper hearing (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby by You). Should legal proceedings have to be brought by Us against You to enforce any Non-Competition Covenant or for Your failure to maintain Confidentiality and Protect against Infringement, the period of restriction shall be deemed to begin running on the date of entry of an order granting Us injunctive relief and shall continue uninterrupted for the entire period of restriction.

16.11 Attorney's Fees

In any action or proceeding brought for the purpose of enforcing, or preventing the breach of, any provision of this Agreement, whether by judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision hereof, or for a declaration of such party's rights or obligations hereunder, the prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorney's fees for the services rendered to such prevailing party at all trial and appellate levels. All sums, which are due but unpaid to either party, shall bear interest from the date due at the highest rate permissible by applicable law.

16.12 WAIVER OF JURY TRIAL

YOU AND WE EACH IRREVOCABLY WAIVE OUR RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY. YOU AND WE ACKNOWLEDGE THAT THIS WAIVER OF JURY TRIAL RIGHTS PROVIDES THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND RESOLUTION OF ANY DISPUTE ARISING OUT OF THIS AGREEMENT AND ANY ASPECT OF THE PARTIES' RELATIONSHIP. YOU AND WE FURTHER ACKNOWLEDGE THE SUFFICIENCY AND RECEIPT OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

16.13 Reasonable Business Judgement

Whenever We reserve or are deemed to have reserved discretion in a particular area or where We agree or are deemed to be required to exercise Our rights reasonably or in good faith, We will satisfy Our obligations

whenever We exercise Reasonable Business Judgement in making Our decision or exercising Our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgement, even if other reasonable or even arguably preferable alternatives are available, if Our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes Our financial or other individual interest. Examples of items that will promote or benefit the System include without limitation enhancing the value of the Marks, improving customer service and satisfaction, improving service or product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System. We are not required to consider any of Your or any other franchisee's particular economic or other circumstances when exercising Our Reasonable Business Judgement. Decisions We make using Our Reasonable Business Judgement will not affect all franchisees equally, and some may be benefited while others are not. Neither You nor any third party (including without limitation an arbitrator or a court of competent jurisdiction), shall substitute its judgment for Our Reasonable Business Judgement.

16.14 English Language

This Agreement has been negotiated in the English language and the rules of construction and definitions of the English language will be applied in interpreting this Agreement. You represent that You and Your Primary Owner are fluent in English and have consulted with legal counsel to the extent necessary to understand the provisions of this Agreement. The English language version of this Agreement will be the official and binding Agreement between the Parties. All notices and communications required or permitted under this Agreement, including without limitation all meetings, mediations, arbitration and litigation, will be conducted and written in the English language. In addition, We will provide all services and materials under this Agreement, including without limitations the Manuals and all training programs, seminars, conventions, programs and meetings, in the English language and will not have a duty to provide any translation or interpreter services for any of Your personnel. You will be solely responsible for the cost of any related translation or interpreter services.

17. Acknowledgement

This Section is a confirmation that You have had an opportunity to review this Agreement, as well as the Franchise Disclosure Document and that You have had the chance to consult with an attorney or other professional advisor.

You confirm Your understanding that any training, support, guidance or tools We provide to You as part of the Franchise Business are for the purpose of protecting the Learning Express Brand and Trademarks and to assist You in the operation of Your business and not for the purpose of controlling or in any way intended to exercise or exert control over Your decisions or day-to-day operations of Your business, including Your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of Your employees and all other employment and employee related matters.

You also confirm Your understanding that the success of the Franchised Business licensed by this Agreement is speculative and depends to a large extent on Your ability as an independent business person as well as other factors. You also recognize and acknowledge that You may incur expenses or obligations which this Agreement may not address.

You acknowledge and agree that neither Learning Express, nor its Regional Franchise Owners or agents have made any representation or warranty as to the potential success of the Franchised Business licensed

by this Agreement. You further acknowledge that You have entered into this Agreement after making an independent investigation of the Franchised Business and of Learning Express.

IN WITNESS WHEREOF, the parties intending to be bound legally have fully executed, sealed and delivered this Agreement as of the day and year first above written.

LEARNING EXPRESS, INC.

_____ By:_____

Witness: Sharon DiMinico, Founder and CEO

Date:_____

FRANCHISEE

_____ By:_____

Witness **Franchisee**

Date:_____

_____ By:_____

Witness **Franchisee**

Date:_____

Addendum A: Notice of Intent (NOI) for Additional Location

Store Owner: _____

Estimated Grand Opening Date: _____

Proposed Location: _____

Store Type:

☐ Permanent — Additional Initial Franchise Fee applies

☐ Satellite — Fee above deferred for two (2) years

If Satellite, one (1) or more of the following are met:

☐ Proposed Location is in my Designated Territory

☐ Lease is less than two (2) years

☐ Landlord termination rights reduce guaranteed lease term to less than two (2) years

Required Documents:
(Please attach)

☐ Vendor Aging Report

☐ Store Income Statement

☐ Final Funding Plan

☐ Written Statement detailing how store will be run

I understand and agree to the following:

1) I must submit this NOI and the above required documents prior to Learning Express, Inc. considering my application. Learning Express retains the right to request additional information in order to support my application.
2) I agree to sign the appropriate authorization in order for Learning Express to run both a business and personal credit check.
3) I must meet certain minimum financial requirements, satisfy the standards established for multiple store owners, and be in good standing as a Learning Express franchisee. In order to be approved to own & operate multiple stores, the performance of my existing Learning Express location(s) will be considered.
4) Learning Express, Inc. must review the required documents and accept in writing the Proposed Location prior to any commitment to a landlord or lease signing.
5) If awarded an Additional Location and not already completed, I must attend Multi-Store Owner Training, and the manager of my Proposed Location must attend New Owner Training.

Store Owner Signature: _____ Date: _____

Regional Franchise Owner Signature: _____ Date: _____

Approved: _____ Date: _____

Addendum B: Guaranty of Performance of Learning Express Local Store Franchise Agreement

In consideration of the award of this Learning Express franchise to _____ (the "Franchisee") and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned agrees to guarantee throughout the term of the Franchise Agreement and thereafter, if applicable, each and every obligation contained in this Agreement and to be bound individually by the restrictive covenants contained in Article 15 of the Franchise Agreement. The undersigned further agrees to allow Learning Express to pursue the undersigned with respect to any obligation without first pursuing a claim against the Franchisee or any other guarantor of the Franchisee. This guaranty of performance shall survive the expiration or termination of the Franchise Agreement.

_____

Guarantor, Jointly and Severally

_____

Date

_____

Guarantor, Jointly and Severally

_____

Date

STATE OF _____

_____, ss.

_____

Then personally appeared the above-named _____ and _____ and acknowledged the foregoing instrument to be his/her/their free act and deed, before me.

_____

_____, Notary Public

My Commission Expires:

Addendum C: Form of Confidentiality Agreement and Covenants Not to Compete

This Agreement is made and entered into this _____ day of _____ , 20___, between Learning Express, Inc., a Massachusetts corporation ("Franchisor"),
_____ ("Franchisee"), and
_____ ("Covenantor").

Recitals

WHEREAS, Franchisor and Franchisee entered into a Learning Express Local Store Franchise Agreement on _____, 20___ ("Franchise Agreement"); and

WHEREAS, under that Franchise Agreement, Franchisee was awarded the right to operate a Franchised Business and use the System, Trade Secrets and Confidential Information of Franchisor, all as defined in said Franchise Agreement; and

WHEREAS, it will be necessary for certain employees, agents, independent contractors, officers, directors, managers and owners of Franchisee, or any entity having an interest in Franchisee (collectively "Covenantor") to have access to and to use some of all of the Trade Secrets and Confidential Information in the management and operation of the Franchised Business using the System; and

WHEREAS, Franchisee has agreed to obtain from those Covenantors, written agreements protecting the Trade Secrets, Confidential Information and the System against unfair competition; and

WHEREAS, Covenantor is, wishes to remain, or wishes to become associated with or employed by Franchisee; and

WHEREAS, Covenantor wishes and needs to receive and use the Trade Secrets and Confidential Information and have access to the System in the course of his employment or association with Franchisee in order to effectively perform services for Franchisee; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Trade Secrets and Confidential Information have access to the System constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein;

NOW, THEREFORE, in consideration of the mutual covenant and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1) Franchisor and/or Franchisee shall disclose to Covenantor some or all of the Trade Secrets and Confidential Information relating to the System. All information and materials, including, without limitation, manuals, drawings, marketing techniques, specifications, techniques and compilations of data which Franchisor provides to Franchisee and/or Covenantor, shall be deemed confidential Trade Secrets for the purposes of this Agreement.
2) Covenantor shall receive the Trade Secrets and Confidential Information in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with Franchisee and then only in connection with the development and/or operation by Franchisee of the Franchised Business for so long as Franchisee is licensed by Franchisor to use the System.
3) Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets and Confidential Information without Franchisor's express written permission.

4) Covenantor shall not at any time disclose or permit the disclosure of the Trade Secrets or Confidential Information except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of the Franchised Business.

5) Covenantor shall surrender any material containing some or all of the Trade Secrets or Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Covenantor.

6) Covenantor shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets, Confidential Information and the System.

Covenants Not to Compete

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets and Confidential Information, and in consideration for the disclosure to Covenantor of the Trade Secrets and Confidential Information, Covenantor further agrees and covenants during the period of Covenantor's association with or employment by Franchisee, as follows,

not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or customer of the Franchised Business to any competitor.

2. In further consideration for the disclosure to Covenantor of the Trade Secrets and Confidential Information and to protect the uniqueness of the System, Covenantor agrees and covenants that for two (2) years following the earlier of the expiration, termination, non-renewal or transfer of all Franchisee's interest in the Franchise Agreement or the termination of his association with or employment by Franchisee, Covenantor will not, without the prior written consent of Franchisor:

a) Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the Franchised Business to any competitor; and

b) Except with respect to the Franchised Business not, either directly or indirectly, as a proprietor, partner, investor, lender, shareholder, owner, director, officer, member, manager, employee, principal, agent, representative, advisor, franchisor, franchisee, consultant or otherwise, for himself/herself or on behalf of or in conjunction with any other person, persons, partnership, corporation, or other business entity own, maintain, engage in, participate or have any interest in any business that is of a character and concept similar to the Franchised Business (the "Competitive Business"). As used in this Agreement, the term "similar", means a business which in any substantial way looks like, copies, imitates, or operates in a manner similar to the Franchised Business and which is at, or is within a forty (40) mile radius of the location of the Franchised Business or a then existing franchised or affiliated Store. This prohibition against competition will apply to Covenantor's participation in, ownership of, or interest in, any method of distribution, including without limitation, mail order sales, and Internet access and sales. This prohibition against competition also includes the participation, ownership or interest in a Competitive Business, by a member of Covenantor's immediate family, as defined in Section 11.2C of the Franchise Agreement. The amounts of time and distance set forth above may be divisible into units of one (1) month and one (1) mile and may be reduced, should a court find them to be unreasonable. The running of any period of time specified herein will be tolled and suspended for any period of time in which Covenantor is found by a court of competent jurisdiction to have been in violation of any of the restrictive covenants set forth herein. Covenantor expressly acknowledges that Covenantor possesses skills and abilities of a general nature and has other

opportunities for exploiting such skills. Consequently, enforcement of the covenants made herein will not deprive Covenantor, of Covenantor's personal goodwill or ability to earn a living.

Miscellaneous

1) Franchisee shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.
2) Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.
3) Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.
4) Any failure by Franchisor and/or Franchisee to object to or take action with respect to any breach of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.
5) AS TO ANY ACTION IN WHICH FRANCHISOR IS A PARTY, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MASSACHUSETTS. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF MIDDLESEX COUNTY, MASSACHUSETTS AND THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF MASSACHUSETTS. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY MASSACHUSETTS OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE MIDDLESEX COUNTY, MASSACHUSETTS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.
6) The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of the activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.
7) In the event that Covenantor violates the non-competition covenant and without limiting any other remedies which may be available to Franchisor and/or Franchisee, Covenantor agrees to pay monthly to Franchisor or Franchisee (as the case may be), for a period of two (2) years following such violation,

an amount equal to five percent (5%) of the gross receipts generated by the business or activity conducted in violation of that covenant.

8) This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

9) All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

   If directed to Franchisor, the notice shall be addressed to:

   Learning Express, Inc.
   29 Buena Vista Street
   Devens, Massachusetts 01434-5026
   Attention: Sharon DiMinico
   Facsimile: (978) 889-1010

   If directed to Franchisee, the notice shall be addressed to:

   _____

   _____

   _____

   Attention: _____

   Facsimile: _____

   If directed to Covenantor, the notice shall be addressed to:

   _____

   _____

   _____

   Attention: _____

   Facsimile: _____

   Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by telex or facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given 3 business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 15 days written notice of such change to the other parties.

10) The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successor and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

LEARNING EXPRESS, INC.

a Massachusetts corporation

By:_____
Sharon DiMinico
Title: Founder and CEO

COVENANTOR:

FRANCHISEE:

Name of Corporation

By:_____

Title:_____

(If Franchisee is a corporation, each owner must sign individually)

By: _____

Printed Name: _____
Owner

(If Franchisee is a corporation, each owner must sign individually)

By: _____

Printed Name: _____
Owner

Addendum D: Form of Employee Confidentiality Agreement

This Agreement is made and entered into on this _____ day of _____, 20_____ by and between _____
("Employer") and
_____ ("Employee").

Recitals

WHEREAS, Employer is a franchisee of Learning Express, Inc. (hereinafter "LEI') and as such utilizes a unique system (hereinafter the "LEI SYSTEM") for the development and operation of a single retail toy and gift business under the trade name and mark LEARNING EXPRESS®; and

WHEREAS, LEI's Confidential Information or Materials provide economic advantages to LEI and its franchisees including Employer and which are not generally known to nor readily ascertainable by proper means by LEI's competitors who could obtain economic value from knowledge and use of LEI's Trade Secrets; and

WHEREAS, Employer has promised to take and intends to take all reasonable steps to maintain the confidentiality and secrecy of LEI's Confidential Information or Materials; and

WHEREAS, it will be necessary for Employee to have access to and to use some or all of LEI's Confidential Information or Materials as an employee of Employer:

WHEREAS, Employee wishes to remain, or wishes to become, an employee of Employer; and

WHEREAS, Employee wishes and needs to receive and use LEI's Confidential Information or Materials in the course of Employee's employment in order to effectively perform Employee's services for Employer;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1) FOR PURPOSES OF THIS AGREEMENT, THE TERM "CONFIDENTIAL INFORMATION OR MATERIALS" MAY INCLUDE WITHOUT LIMITATION, ALL TRADE SECRETS; OPERATING, MARKETING, PROMOTIONS, ADVERTISING, HUMAN RESOURCES AND TRAINING MANUALS; MEMORANDA, VIDEO AND AUDIO TAPES, SLIDE PRESENTATIONS AND OTHER MATERIALS; CHARACTERS, SYSTEMS, LOGOS AND OTHER SIMILAR PROPERTY, CREATIONS AND IDEAS; PROGRAMS, STUDIES, SOFTWARE, INVENTORY CONTROL, AGREEMENTS, CORRESPONDENCE, RECORDS, PLANS AND REPORTS USED OR CREATED BY LEI OR SUPPLIED TO LEI; CUSTOMER LISTS AND INFORMATION; IDENTITIES OF SUPPLIERS; RECRUITING TECHNIQUES; AND OPERATIONAL, ACCOUNTING AND QUALITY CONTROL PROCEDURES; ARCHITECTURAL AND CONSTRUCTION RELATED PLANS AND SPECIFICATIONS, AND GENERALLY ALL OTHER INFORMATION, WHICH EMPLOYER TREATS AS CONFIDENTIAL.
2) EMPLOYEE ACKNOWLEDGES THAT DURING HIS/HER EMPLOYMENT, EMPLOYEE MAY GAIN KNOWLEDGE OF PROPRIETARY CONFIDENTIAL INFORMATION OR MATERIALS. EMPLOYEE RECOGNIZES THAT EMPLOYER AND LEI HAVE A COMPELLING NEED TO MAINTAIN THE CONFIDENTIALITY OF SUCH CONFIDENTIAL INFORMATION AND MATERIALS. ACCORDINGLY, EMPLOYEE AGREES THAT:
   A) EMPLOYEE SHALL RECEIVE LEI'S CONFIDENTIAL INFORMATION OR MATERIALS IN CONFIDENCE, MAINTAIN THEM IN CONFIDENCE, AND USE THEM ONLY IN THE COURSE OF EMPLOYEE'S EMPLOYMENT BY EMPLOYER.

B) EMPLOYEE WILL NOT, DURING THE TERM OF THIS AGREEMENT OR THEREAFTER, DIRECTLY OR INDIRECTLY DISCLOSE TO ANY OTHER PERSON OR ENTITY, OR USE FOR EMPLOYEE'S OWN ACCOUNT, OR FOR OTHER THAN EMPLOYER'S BUSINESS, ANY CONFIDENTIAL INFORMATION OR MATERIALS WITHOUT FIRST OBTAINING THE WRITTEN CONSENT OF LEI. EMPLOYEE SHALL AT ALL TIMES KEEP CONFIDENTIAL ALL CONFIDENTIAL INFORMATION OR MATERIALS OF EMPLOYER AND LEI.

C) EMPLOYEE WILL RETAIN NO COPIES OF, AND SHALL PROMPTLY DELIVER TO EMPLOYER, UPON THE TERMINATION OF EMPLOYEE'S SERVICES OR AT ANY OTHER TIME EMPLOYER MAY REQUEST ANY AND ALL DOCUMENTARY AND OTHER MATERIALS (INCLUDING SOFTWARE) AND ALL COPIES THEREOF IN WHATEVER FORM, INCLUDING ELECTRONIC VERSIONS THEREOF, MADE, COMPILED OR OTHERWISE OBTAINED BY OR DELIVERED OR DISCLOSED TO EMPLOYEE CONCERNING ANY CONFIDENTIAL INFORMATION OR MATERIALS OF EMPLOYER OR LEI.

3) EMPLOYEE SHALL NOT AT ANY TIME MAKE COPIES OF ANY DOCUMENTS OR COMPILATIONS CONTAINING SOME OR ALL OF LEI'S CONFIDENTIAL INFORMATION OR MATERIALS WITHOUT THE EXPRESS WRITTEN PERMISSION OF EMPLOYER.
4) EMPLOYEE SHALL NOT DISCLOSE OR PERMIT THE DISCLOSURE OF LEI'S CONFIDENTIAL INFORMATION OR MATERIALS EXCEPT TO OTHER EMPLOYEES OF EMPLOYER AND ONLY TO THE LIMITED EXTENT NECESSARY TO TRAIN OR ASSIST OTHER EMPLOYEES OF EMPLOYER WHO HAVE ALSO SIGNED CONFIDENTIALITY AGREEMENTS OR NON-DISCLOSURE AND NON-COMPETITION AGREEMENTS.
5) EMPLOYEE UNDERSTANDS AND AGREES THAT THIS AGREEMENT MAY BE ENFORCED BY EITHER EMPLOYER OR BY LEI.
6) EMPLOYEE AGREES THAT IN THE EVENT OF A BREACH OF THIS AGREEMENT, EMPLOYER AND/OR LEI WOULD BE IRREPARABLY INJURED AND BE WITHOUT AN ADEQUATE REMEDY AT LAW. THEREFORE, IN THE EVENT OF SUCH A BREACH, OR THREATENED OR ATTEMPTED BREACH OF ANY OF THE PROVISIONS THEREOF, EMPLOYER AND/OR LEI SHALL BE ENTITLED TO ENFORCE THE PROVISIONS OF THIS AGREEMENT AGAINST EMPLOYEE, AND MAY SEEK, IN ADDITION TO ANY OTHER REMEDIES WHICH ARE MADE AVAILABLE TO IT AT LAW OR IN EQUITY, A TEMPORARY AND /OR PERMANENT INJUNCTION AND A DECREE FOR THE SPECIFIC PERFORMANCE OF THE TERMS OF THIS AGREEMENT, WITHOUT BEING REQUIRED TO FURNISH A BOND OR OTHER SECURITY.
7) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF _____.
8) IF ANY COURT OR OTHER TRIBUNAL HAVING JURISDICTION TO DETERMINE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT DETERMINES THAT IT WOULD BE UNENFORCEABLE AS WRITTEN, ITS PROVISIONS SHALL BE DETERMINED TO BE WITHHELD, MODIFIED OR LIMITED TO SUCH EXTENT OR IN SUCH MANNER AS IS NECESSARY FOR IT TO BE VALID AND ENFORCEABLE TO THE GREATEST EXTENT POSSIBLE.

WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

EMPLOYER

By:_____

Name:_____

Title:_____

Date:_____

EMPLOYEE

By:_____

Name:_____

Date:_____

Addendum E: Learning Express, Inc. Electronic Funds Transfer Authorization

The undersigned Franchisee hereby authorizes Learning Express, Inc., a Massachusetts corporation, with principal offices at 29 Buena Vista Street, Devens, MA 01434-5026, to initiate electronic transfer of funds out of Franchisee's business bank account into Learning Express, Inc.'s bank account for payment of Royalties or other amounts which Franchisee may owe Learning Express, Inc. on the due date as specified on the invoice or terms set forth in the Operations Manual. All costs and expenses, including any resulting from the dishonor by Your bank of any electronic funds transfer, shall be Your sole responsibility. This authorization is irrevocable and shall remain in effect until the termination or expiration of the underlying Learning Express Franchise Agreement.

Executed this _____day of _____, 20____

Franchisee: _____

Address: _____

_____

Name of Bank:_____

Bank Address:_____

_____

ABA Routing and Transit Number:_____

Account Number:_____

Authorized By: _____

signature

print name

Its: _____

Addendum F: Spousal Non-Disclosure and Non-Competition Agreement

This Agreement is made and entered into _____ between Learning Express, Inc., a Massachusetts corporation, with its principal place of business at 29 Buena Vista Street, Devens, Massachusetts 01434-5026 ("Franchisor") and _____, a/an _____ with its principal place of business at _____ ("Franchisee") and _____, the spouse or domestic partner of an owner of Franchisee ("Signer") with a primary residence at _____.

RECITALS

WHEREAS, Franchisor has developed, is using and is the owner of all rights in a unique system (hereinafter "LEARNING EXPRESS SYSTEM") for the development and operation of a retail toy and children's gift business under the trade name and mark LEARNING EXPRESS (hereinafter "LEARNING EXPRESS");

WHEREAS, LEARNING EXPRESS SYSTEM includes but is not limited to certain trade names, trademarks, trade dress and logos including, but not limited to, the mark LEARNING EXPRESS, service marks, trade symbols, trade dress, signs, slogans, associated logos, designs, emblems, URLs, domain names, Website addresses, email addresses, digital cellular addresses, wireless Web addresses and the like and copyrights and such other trade names and trademarks as Franchisor may develop in the future for the purposes of identifying LEARNING EXPRESS SYSTEM, and such other distinguishing characteristics of LEARNING EXPRESS SYSTEM including, without limitation, distinctive sales and marketing procedures; knowledge and procedures for providing bookkeeping and operational support for small businesses; management and financial control methods; and training and assistance, all of which may be changed, improved and further developed by Franchisor from time to time ("Trade Secrets");

WHEREAS, Franchisor's Trade Secrets provide economic advantages to Franchisor and are not generally known to or readily ascertainable by proper means by Franchisor's competitors who could obtain economic value from knowledge and use of Franchisor's Trade Secrets;

WHEREAS, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of Franchisor's Trade Secrets;

WHEREAS, Franchisor and Franchisee desire to enter into a Franchise Agreement which will grant Franchisee a limited right to operate a Franchised Business within a territory using LEARNING EXPRESS SYSTEM and Franchisor's Trade Secrets for a period defined in the Franchise Agreement ("Franchise Agreement");

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of LEARNING EXPRESS SYSTEM of restricting use, access and dissemination of Franchisor's Trade Secrets; and

WHEREAS, it is anticipated that Signer may have access to learn Franchisor's Trade Secrets as Franchisee develops and maintains Franchisee's Business using LEARNING EXPRESS SYSTEM.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Franchisee may disclose to Signer some or all of Franchisor's Trade Secrets relating to LEARNING EXPRESS SYSTEM.

2. Signer shall receive Franchisor's Trade Secrets in confidence, maintain them in confidence, and shall use them only in connection with the development and/or maintenance by Franchisee of the Franchised Business using LEARNING EXPRESS SYSTEM for so long as Franchisee is licensed by Franchisor to use LEARNING EXPRESS SYSTEM.

3. Signer shall not at any time make copies of any documents or compilations containing some or all of Franchisor's Trade Secrets without the express written permission of Franchisor.

4. Signer shall not disclose or permit the disclosure of Franchisor's Trade Secrets to anyone.

5. That all information and materials, including without limitation, specifications, techniques and compilations of data which Franchisor shall designate as confidential shall be deemed Franchisor's Trade Secrets for the purposes of this Agreement.

6. Signer shall not, directly or indirectly, do any act or omit to do any act, which would or would likely to be injurious or prejudicial to the goodwill associated with LEARNING EXPRESS SYSTEM.

7. In order to protect the goodwill and unique qualities of LEARNING EXPRESS SYSTEM and the confidentiality and value of Franchisor's Trade Secrets, and in consideration for the disclosure to Signer of Franchisor's Trade Secrets, Signer further undertakes and covenants that, during the time Franchisee is a franchisee of Franchisor and for the two (2) years following the termination or expiration of Franchisee's Franchise Agreement, Signer will not:

(a) Directly or indirectly, for himself/herself or through, on behalf of or in conjunction with any person, partnership or business entity, engage in or acquire any financial or beneficial interest in (including interest in business entities, partnerships, trusts, unincorporated associations or joint ventures), advise, help or make loans to any entity involved in business which is the same as or similar to that conducted by LEARNING EXPRESS which business is, or is intended to be located, within the United States; or

(b) Divert or attempt to divert, directly or indirectly, any business, business opportunity or client of Franchisee's Franchised Business(s) to any competitor.

8. Franchisee undertakes to use Franchisee's best efforts to ensure that Signer acts as required by this Agreement.

9. Signer agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions thereof, Franchisor shall be entitled to enforce the provisions of this Agreement against Franchisee and Signer, and may seek, in addition to any other remedies which are made available to it at law or in equity, including the right to terminate the Franchise Agreement, a temporary and /or permanent injunction and a decree for the specific performance of the terms of this Agreement, without being required to furnish a bond or other security.

10. Signer agrees that the period during which the post-termination/expiration restrictions above apply shall be extended uninterrupted by the length of any period of time during which Signer was in violation of such restrictions.

11. This Agreement shall be governed by and construed under the laws of XState.

12. If any Court or other tribunal having jurisdiction to determine the validity or enforceability of this Agreement determines that it would be unenforceable as written, its provisions shall be determined to be withheld, modified or limited to such extent or in such manner as is necessary for it to be valid and enforceable to the greatest extent possible.

[Signatures on the following page]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISEE

By:_____

Name:

Title:

Date:_____

FRANCHISOR

By:_____

Name:

Title:

Date:_____

SIGNER

By:_____

Name:

Date:_____

Addendum G: Telephone Listing Agreement

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of the _____ day of _____, 20___ (the "Effective Date"), by and between Learning Express, Inc. , a Massachusetts corporation (the "Franchisor"), and _____, a(n) _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Learning Express Franchised Business (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Numbers and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-

fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. **MISCELLANEOUS**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its

affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the Commonwealth of Massachusetts, without regard to the application of Massachusetts conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

LEARNING EXPRESS, INC.

_____ By:_____

Witness: Sharon DiMinico, Founder and CEO

Date:_____

FRANCHISEE:

_____ By:_____

Witness **Franchisee**

Date:_____

Addendum H: Customer List Agreement

THIS CUSTOMER LIST AGREEMENT (the "Customer List Agreement") is made and entered into as of the _____ day of _____, 20___ (the "Effective Date"), by and between Learning Express, Inc. , a Massachusetts corporation (the "Franchisor"), and _____ , a(n) _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Learning Express Franchised Business (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Customer List Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Customer List Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Customer Lists. Franchisee has or will compile, assemble and/or acquire during the term of the Franchise Agreement, certain customer lists, (the "Customer Lists") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all mailing houses and mailing services (collectively, the "Mailing Companies") with which Franchisee has provided the Customer Lists: (i) to transfer all Franchisee's Interest in such Customer Lists to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Customer Lists, Franchisee will immediately direct the Mailing Companies to terminate such Customer Lists or will take such other actions with respect to the Customer Lists as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Customer List Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Customer List Agreement. Franchisee further agrees that this

appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Customer List Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Mailing Companies to transfer all Franchisee's Interest in and to the Customer Lists to Franchisor; and

2.3.2 Execute the Mailing Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Mailing Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Mailing Companies have duly transferred all Franchisee's Interest in such Customer Lists to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in such Customer Lists. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Mailing Companies for the sums Franchisee is obligated to pay such Mailing Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Customer List Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Mailing Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Customer List Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Customer List Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Customer List Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Customer Lists.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Customer List Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Customer List Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Customer List Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Customer List Agreement, all provisions of the Franchise Agreement and exhibits thereto shall remain in effect as set forth therein.

3.7 Survival. This Customer List Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Customer List Agreement shall be joint and several

3.9 Governing Law. This Customer List Agreement shall be governed by and construed under the laws of the Commonwealth of Massachusetts, without regard to the application of Massachusetts conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Customer List Agreement as of the Effective Date.

LEARNING EXPRESS, INC.

_____ By:_____

Witness: Sharon DiMinico, Founder and CEO

Date:_____

FRANCHISEE:

_____ By:_____

Witness **Franchisee**

Date:_____

Addendum I: Digital Media Listing Agreement

THIS ELECTRONIC MEDIA LIST AGREEMENT (the "Electronic Media List Agreement") is made and entered into as of the _____ day of _____**,** 20___ (the "Effective Date"), by and between Learning Express, Inc. , a Massachusetts corporation (the "Franchisor"), and _____, a(n) _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Learning Express Franchised Business (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Electronic Media Listings Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**
All terms used but not otherwise defined in this Electronic Media Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Electronic Media and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Digital Media and the right to hyperlink to certain web sites and listings on various Internet search engines, Social Media accounts, and comparable electronic identities, (collectively, the "Digital Media and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Electronic Media , Internet and Web Site service providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Electronic Media Companies") with which Franchisee has Electronic Media and Listings: (i) to transfer all of Franchisee's Interest in such Electronic Media and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Media and Listings, Franchisee will immediately direct the Electronic Media Companies to terminate such Electronic Media and Listings or will take such other actions with respect to the Electronic Media and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Electronic Media Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Electronic Media Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Electronic Media Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Electronic Media Companies to transfer all Franchisee's Interest in and to the Electronic Media and Listings to Franchisor;

2.3.2 Direct the Electronic Media Companies to terminate any or all of the Electronic Media and Listings; and

2.3.3 Execute the Electronic Media Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Electronic Media Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Electronic Media Companies have duly transferred all Franchisee's Interest in such Electronic Media and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Electronic Media and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Electronic Media Companies for the sums Franchisee is obligated to pay such Electronic Media Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Electronic Media Listing Agreement.

3. **MISCELLANEOUS**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Electronic Media Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Electronic Media Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will

indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Electronic Media Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Electronic Media and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Electronic Media Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Electronic Media Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Electronic Media Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Electronic Media Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Electronic Media List Agreement shall be governed by and construed under the laws of the Commonwealth of Massachusetts, without regard to the application of Massachusetts conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Electronic Media List Agreement as of the Effective Date.

LEARNING EXPRESS, INC.

_____ By:_____

Witness: Sharon DiMinico, Founder and CEO

Date:_____

FRANCHISEE:

_____ By:_____

Witness **Franchisee**

Date:_____

Addendum J: Store Conversion

This Addendum J is attached to and forms part of the Franchise Agreement between Learning Express, Inc., a Massachusetts corporation ("Us") and YOUR COMPANY HERE, a STATE corporation and OWNER 1 and OWNER 2/SPOUSE/DOMESTIC PARTNER, individuals ("You") dated _____. To the extent that any of the terms or conditions contained in this Addendum J may contradict or conflict with any of the terms or conditions of the Franchise Agreement, it is expressly understood and agreed that the terms of this Addendum I shall take precedence and supersede the Franchise Agreement.

Recitals

1. YOU WANT TO CONVERT CONVERSION STORE NAME INTO A LEARNING EXPRESS FRANCHISE, WHILE KEEPING THE "SPIRIT" OF THE CONVERSION STORE TRADE NAME BRAND.
2. WE WANT TO PROTECT AND MAINTAIN THE LEARNING EXPRESS BRAND FOR THE BENEFIT OF ALL LEARNING EXPRESS FRANCHISEES, CUSTOMERS, VENDORS AND OTHER STAKEHOLDERS.

NOW THEREFORE, in consideration of the mutual and several covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Definitions & Background Information

Conversion Store:	The current toy store known as CONVERSION STORE TRADE NAME and owned by You and located at ADDRESS.
Transition Phase One/Two	The first/second part of the transition of the Conversion Store into a Learning Express Local Store Franchise.
Phase One Completion Date:	Ninety (90) days following the Effective Date of this Franchise Agreement
Phase Two Completion Date:	The earlier of a) relocation or remodeling of the Conversion Store or b) three hundred sixty-five (365) days following the Effective Date of this Franchise Agreement.

Franchise Agreement Modifications

Initial Franchise Fee

Significant Franchise Agreement Provisions 1.6 (Initial Franchise Fee) is amended to Fifteen Thousand dollars ($15,000.00).

Franchise Agreement Section 7.1 Initial Franchise Fee is hereby modified by striking the second sentence only (beginning with "If this Your first…") in its entirety and replacing it with the following:

> Section 7.1 Initial Franchise Fee. If this is Your first Learning Express franchise, the initial franchise fee for a single retail location will be Fifteen Thousand dollars ($15,000.00).

Trademarks and Other Intellectual Property

You declare that You are the sole owner of CONVERSION STORE TRADENAME, trademarks, copyrights or other intellectual property, including, but not limited to, the store name, store logo and store marketing materials ("Conversion Store Intellectual Property"). On the date of this Agreement, You will execute the Intellectual Property Assignment Agreement set forth as an Exhibit and will assign to Us the Conversion Store Intellectual Property, excluding any liabilities or third-party claims relating thereto. You agree to indemnify and hold Us, Our subsidiaries, affiliates, stockholders, directors, officers, employees, agents, assignees and Your Regional Franchise Owner harmless against, and to reimburse them for, all obligations, actual and consequential damages and taxes for which any of them is held liable and for all costs, reasonably incurred by any of them in the defense of any claim brought against any of them or in any action in which any of them is named as a party, which arise out of the use Your Conversion Store Intellectual Property. We have the right to defend any colorable claim at Your sole expense. The indemnities and assumptions of liabilities and obligations will continue in full force and effect following the expiration or termination of this Agreement.

Advertising and Promotion

Franchise Agreement Sections 8.1 (Grand Opening Advertising) and 1.8 (Minimum Grand Opening Advertising) are hereby deleted from the Franchise Agreement. The remainder of Franchise Agreement Section 8. (Franchisee Advertising and Promotion) remains in full effect.

Training and Assistance

The third (3rd) sentence only of Franchise Agreement Section 9.1 (Initial Training and Assistance) beginning with "Additionally, We provide…" is hereby deleted and replaced with the following:

> Additionally, We provide up to a two (2) week training program as part of Your initial Store Conversion, to be conducted at Your Store.

Initial Construction

Unless You are moving or renovating Your Store location within 30 days of the date of this Franchise Agreement, Franchise Agreement Section 10.2 (Initial Construction of the Franchised Business) paragraphs A, B and C do not apply. The remainder of Section 10.2 remains intact, including the POS Transition in 10.2 D and the fees outlined in 10.2 F.

Rights and Duties of Parties Upon Expiration or Termination

Franchise Agreement Section 14.1 (Your Obligations) is amended by the following:

> You agree that the Store Trade Name and Intellectual Property You used prior to Your Store Conversion are part of Our Marks that You must cease to use.

Operation of the Conversion Store

Subject to the Franchise Agreement and the Confidential Operations Manuals, You will transition the Conversion Store into the Learning Express community by meeting the requirements outlined in the following two phases, Transition Phase One and Transition Phase Two. Where noted, We will assist You with the transition, but any fees or costs associated with the transition will be paid by You.

You may only operate one Conversion Store location. Any relocation of the Conversion Store must be approved by Us, at Our sole discretion.

Conversion Phase One

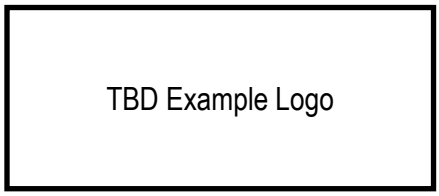
The following transition requirements for the Conversion Store shall be accomplished on or before the Phase One Completion Date. All of the changes covered by this Section 3 and its subsections shall remain in effect for the term of the Franchise Agreement except those specifically addressed in Section 5 below.

Branding Requirements

Store Trade Name

The Store Trade Name shall be changed to TBD (e.g. CONVERSION STORE TRADE NAME, A Learning Express Store). Store Logo

A new logo will be designed by Us and reasonably approved by You. The logo below is to show intent and is for demonstrative purposes only. You agree that We will own the new Store Logo and that the Store Logo will become one of Our Marks as pertaining to Section 5 (Trademarks) of this Franchise Agreement. You will have a limited right to use the Store Logo derived solely from this Addendum.



Store Tagline (if applicable)

Where appropriate, You may keep the following phrase as a store tagline for Conversion Store only: “Example Tagline.” Upon request, We will alter the Store Logo to include the Store Tagline as reasonably approved by You.

Store Design Requirements

Exterior Storefront Sign

No changes during Transition Phase One.

Interior Signage

You will apply approximately TBD-inch (TBD”) high full-color applied vinyl lettering as an interior sign in a mutually-agreeable location. We will design the final logo as reasonably approved by You. The mockup below is for demonstrative purposes only.

Mockup Interior Signage

Exterior Signage
You will apply to Your LOCATION approximately six-inch (6”) high white applied vinyl lettering in a mutually-agreeable location. The final logo will be designed by Us and reasonably approved by You and is subject to any applicable Landlord or Municipality requirements or approval, which You shall diligently pursue. The mockup below is for demonstrative purposes only.

TBD Mockup Exterior Signage

Leasehold Improvements
No requirements during Transition Phase One.

Store Fixtures
No requirements during Transition Phase One.

Service Requirements

Free Personalization
You will offer free personalization for the best-selling products typically personalized by Learning Express but will have no obligation to carry and personalize items that do not sell well for the store, at Your discretion.

Birthday Box Program
You will participate in the Birthday Box Program under the branding provided by Us.

Free Gift Wrap
You will offer free wrapping, including cello bags with tissue, curling ribbon and store label for appropriately sized gifts, and wrapping paper for boxed items. On all purchases, You will offer the customer a choice of gift wrap, including, but not limited to, the standard Learning Express birthday wrap. While is it highly recommended from a brand perspective to use the Learning Express wrap whenever possible, You may wrap purchases as the customer desires.

Marketing Requirements

Shopping Bags
Upon the earlier of a) the depletion of existing customer shopping bag stock or b) the Phase One Completion Date, You will begin to use Learning Express Brand shopping bags.

Address Labels
You will use a new address label that We design as reasonably approved by You. The shape of the label will be at Your discretion.

Gift Cards
Subject to Section 8.9 of this Franchise Agreement, You will participate in Our Gift Card Program. You can redeem, but not sell or reload, Conversion Store gift cards from the Conversion Store location.

Facebook, Social Media and other Webpages
Subject to Section 8.8 of this Franchise Agreement, You will appoint Our representative as administrator of the Conversion Store Facebook page and any other applicable social media pages or websites, and You will modify the current trade name and logo on those pages and sites to reflect the new Store Trade Name.

Learning Express Catalogs
It is strongly recommended that Conversion Store participates in each of the Learning Express printed publications.

LearningExpress.com Store Page
We will create a store page on learningexpress.com for the Conversion Store.

Operational Requirements

Staff Training
You will train the staff at the Conversion Store in accordance with our requirements and the employees shall be required to sign Employee Confidentiality Agreements as set forth in Addendum D.

POS Transition
With Our assistance, You will transition Your Point of Sale system and Merchant Services to our current requirements. You will be responsible for any required hardware costs and software licenses and fees, whether payable to Us or a Third Party provider. Any requested data to be included in the new POS system shall meet our conversion requirements. You will be responsible for any costs associated with the data conversion, including but not limited to supplying Conversion Store data in the format We request.

Additional Advertising Requirements

Itemize advertising plan, such as Facebook posts, newspaper ads, parties, press releases, etc. [insert here]

Transition Phase Two

The following transition requirements for the Conversion Store shall be completed on or before the Phase Two Completion Date.

Store Design Requirements

Exterior Storefront Sign

You must modify your Exterior Storefront Sign to reflect the new store name "CONVERSION STORE TRADE NAME: A Learning Express Store". We must approve the new sign design and placement prior to You placing an order with a sign vendor.

Interior Sign

You must install a new or refurbished Interior Sign per mutually-developed and -approved design specifications.

Leasehold Improvements

You must make changes as requested by us to conform to our current Store Design Standard and comply with Section 10.2 of the Franchise Agreement, including, but not limited to, paint, flooring, slatwall, shelving and lighting requirements. The requested changes shall not exceed Ten Thousand dollars ($10,000.00) in total project cost.

Store Fixtures

You must make changes as requested by us to modify your Store Fixtures and/or cash wrap. The requested changes shall not exceed Five Thousand dollars ($5,000) total.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the undersigned have entered into this Addendum as witnessed by their signatures below.

FRANCHISOR:

LEARNING EXPRESS, INC.
a Massachusetts corporation

By:_____
Sharon DiMinico
Title: Founder and CEO

FRANCHISEE:

_____
Name of Corporation

By:_____

Title:_____

COVENANTOR:
(If Franchisee is a corporation, each owner must sign individually)

By: _____

Printed Name: _____
Owner

By: _____

Printed Name: _____
Owner

EXHIBIT A

FORM OF ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT OF INTELLECTUAL PROPERTY (U.S.) (this "Agreement") is made as of _____ by _____, a _____ (the "Assignor"), to LEARNING EXPRESS, INC., a Massachusetts corporation (the "Assignee").

Recitals

WHEREAS The Assignor has adopted and used and is using the trademarks, copyrights or other intellectual property assets, including, but not limited to, the store name, store logo and store marketing materials (the "Intellectual Property") identified on Exhibit 1 hereto, [and is the owner of the registration of such Intellectual Property in the United States Patent and Trademark Office identified on Exhibit 1 hereto]; and

WHEREAS the Assignee desires to acquire the Intellectual Property and the registration thereof in connection with the franchising of retail toy and children's gift businesses and related services.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Intellectual Property, together with (a) the registrations of the Intellectual Property, if any (b) the goodwill of the business symbolized by and associated with the Intellectual Property and any registration thereof, and (c) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Intellectual Property or the registration thereof or such associated goodwill.

This Assignment is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by signing its acceptance of this Assignment below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, as of _____.

[ASSIGNOR]

By: _____

Name: _____

Title: _____

The foregoing assignment of the Intellectual Property [and the registrations thereof and registration applications] therefor by the Assignee is hereby accepted as of _____.

LEARNING EXPRESS, INC.

By: _____

Name: _____

Title: _____

NOTARY

State of _____

County of _____

Personally appeared before me this ____ day of _____ , 20____, the above-named _____ to me known to be the person who executed the foregoing Assignment as _____ of the above-named applicant and, being first duly sworn, stated upon oath that said Assignment, and all exhibits submitted herewith, are true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

_____

Notary Public

My commission expires: _____ (Seal)

EXHIBIT 1

1. Trademarks and Service Marks
2. Registrations and Pending Registration
3. Other Intellectual Property

State Effective Dates

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

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

State	Effective Date
California	Pending
Illinois	Pending
Indiana	June 13 2019
Michigan	May 1, 2019
Minnesota	Pending
New York	Pending
Rhode Island	Pending
Virginia	Pending
Washington	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.

Receipt

This disclosure document summarizes certain provisions of the local store franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Learning Express, Inc. offers you a franchise, it must provide this disclosure document 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, and Wisconsin require 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 Learning Express, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate State Agency listed in Exhibit A.

Franchise seller: Sharon J. DiMinico, Learning Express, Inc., 29 Buena Vista St, Devens, MA 01434-5026; Telephone: 978-889-1000

Other Sellers:

See Attached.

Date of Issuance: April 1, 2020

See Exhibit A for Our registered agents authorized to receive service of process.

I have received a Franchise Disclosure Document dated April 1, 2020 that included the following Exhibits:

- EXHIBIT A LIST OF ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS
- EXHIBIT B REGIONAL FRANCHISE OWNER AND TERRITORY AND DEVELOPMENT AND SUPPORT BACKGROUNDS
- EXHIBIT C RESERVATION AGREEMENT
- EXHIBIT D FUNDING PLAN
- EXHIBIT E LOCAL STORE CONFIDENTIAL OPERATIONS MANUAL TABLE OF CONTENTS
- EXHIBIT F ROSTER OF FRANCHISEES
- EXHIBIT G FINANCIAL STATEMENTS
- EXHIBIT H STATE SPECIFIC ADDENDA TO THE DISCLOSURE DOCUMENT
- EXHIBIT I STATE SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT
- EXHIBIT J LOCAL STORE FRANCHISE AGREEMENT

Date:_____ _____

(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

Date:_____ _____

(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

KEEP THIS COPY FOR YOUR RECORDS.

NOTICE OF AVAILABLE DISCLOSURE

This disclosure document is also available in pdf format through electronic transmission upon request after qualification. Because the Disclosure Document will be transmitted in pdf format, you will need to have Adobe Reader software installed on Your computer to view and print the Disclosure Document.

Additional Sellers:

Michael Derse	29 Buena Vista Street, Devens, MA 01434	(978) 889-1000
Bruce Schneiderbauer	29 Buena Vista Street, Devens, MA 01434	(978) 889-1000
Kim Schneiderbauer	29 Buena Vista Street, Devens, MA 01434	(978) 889-1000
Kathleen Troknya	29 Buena Vista Street, Devens, MA 01434	(978) 889-1000

Receipt

This disclosure document summarizes certain provisions of the local store franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Learning Express, Inc. offers you a franchise, it must provide this disclosure document 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, and Wisconsin require 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 Learning Express, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate State Agency listed in Exhibit A.

Franchise Seller: Sharon J. DiMinico, Learning Express, Inc., 29 Buena Vista Street, Devens, Massachusetts 01434-5026; Telephone: 978-889-1000

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- EXHIBIT J LOCAL STORE FRANCHISE AGREEMENT

Date:_____ _____

(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

Date:_____ _____

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