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UNIFORM FRANCHISE REGISTRATION APPLICATION

File No. **631819**
(Insert file number of immediately preceding filing of Applicant)

State: **Wisconsin**

Fee: **$400.00**

APPLICATION FOR (Check only one):

__ INITIAL REGISTRATION OF AN OFFER AND SALE OF FRANCHISES
X RENEWAL APPLICATION OR ANNUAL REPORT
____ PRE-EFFECTIVE AMENDMENT
____ POST-EFFECTIVE MATERIAL AMENDMENT

1. Full legal name of Franchisor:
School of Rock Franchising, LLC

2. Name of the franchise offering:
School of Rock

3. Franchisor's principal business address:
1 Wattles Street, Canton, MA 02021

4. Name and address of Franchisor's agent in this State authorized to receive service of process:
Wisconsin Commissioner of Securities, P.O. Box 1768, 345 W. Washington Avenue, 4th Floor, Madison, WI 53703

5. The states in which this application is or will be shortly on file:
California, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, and Wisconsin

6. Name, address, telephone and facsimile numbers, and e-mail address of person to whom communications regarding this application should be directed:

Keri A. McWilliams
Nixon Peabody LLP
799 Ninth Street NW, Suite 500
Washington, D.C. 20001
Direct Dial: (202) 585-8770
Direct Fax: (855) 505-9076
franchise@nixonpeabody.com

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Certification

I certify and swear under penalty of law that I have read and know the contents of this application, including the Franchise Disclosure Document with an issuance date of April 4, 2023, attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make this certification on behalf of the Franchisor and that I do so upon my personal knowledge.

Executed at Canton, MA

on

4/5/2023

Franchisor:

School of Rock Franchising, LLC

By: John Cappadona
7295BF3F68EA449...

Name: John Cappadona

Title: Chief Financial Officer

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UNIFORM FRANCHISE CONSENT TO SERVICE OF PROCESS

School of Rock Franchising, LLC, a limited liability company organized under the laws of Pennsylvania (the "Franchisor"), irrevocably appoints the officers of the States designated below and their successors in those offices, its attorney in those States for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of that State, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within that State by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of that State and had lawfully been served with process in that State. We have checked below each state in which this application is or will be shortly on file, and provided a duplicate original bearing an original signature to each state.

___ California: Commissioner of Financial Protection and Innovation

____ Hawaii: Commissioner of Securities

____ Illinois: Attorney General

____ Indiana: Secretary of State

____ Maryland: Securities Commissioner

____ Minnesota: Commissioner of Commerce

____ New York: Secretary of State

____ North Dakota: Securities Commissioner

____ Rhode Island: Director of Business Regulation

____ South Dakota: Director of the Division of Securities

____ Virginia: Clerk, Virginia State Corporation Commission

____ Washington: Director of Financial Institutions

__X__ Wisconsin: Administrator, Division of Securities, Department of Financial Institutions

Please mail or send a copy of any notice, process or pleading served under this consent to:

Keri A. McWilliams
Nixon Peabody LLP
799 9th Street, NW, Suite 500
Washington, D.C. 20001
p (202) 585-8770
f (855) 505-9076
franchise@nixonpeabody.com

DocuSign Envelope ID: 8950FFE2-E674-41CA-BDD9-518C64DBC6BE

Dated: 4/5/2023

Franchisor:

School of Rock Franchising, LLC

By: DocuSigned by: John Cappadona 7295BF3F68EA449...

Name: John Cappadona

Title: Chief Financial Officer

FRANCHISE DISCLOSURE DOCUMENT

SCHOOL OF ROCK FRANCHISING LLC
(A Pennsylvania Limited Liability Company)
1 Wattles Street
Canton, MA 02021
(877) 556-6184
www.SchoolofRock.com
Franchising@SchoolofRock.com

The franchise being offered is to establish and operate a School of Rock business. School of Rock businesses are performance-based music schools with a rock music program.

The total investment necessary to begin operation of a School of Rock business is $441,000 to $593,900. This includes $49,900 that must be paid to us or our affiliate. We may also offer you the opportunity to enter into a development agreement, in which case you will be required to pay us a development fee equal to $24,950 for each school you plan to develop.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Anthony Padulo, School of Rock Franchising, LLC, 1 Wattles Street, Canton, MA 02021, (877) 556-6184.

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

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

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

Issuance Date: April 4, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement and development agreement each require you to resolve disputes with the franchisor by arbitration and/or litigation only in the Commonwealth of Massachusetts. Out-of-state arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in the Commonwealth of Massachusetts than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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 of this Disclosure Document, "we," "us," or "our" refers to School of Rock Franchising, LLC, the franchisor. "You" or "your" refers to the franchisee who enters into a School of Rock franchise agreement or development agreement. The franchisee may be a person, corporation, partnership or limited liability company. If the franchisee is a corporation, partnership, limited liability company, or other entity, "you" and "your" do not include the principals of the corporation, partnership, limited liability company, or other entity.

We are a limited liability company, which was originally organized under the laws of Pennsylvania on August 19, 2005 under the name Paul Green School of Rock Music Franchising, LLC. Our principal place of business is 1 Wattles Street, Canton, MA 02021. We do business under the name "School of Rock," and under no other names. Our agents for service of process are listed in Exhibit B.

We have been offering franchises of the type being offered in this Disclosure Document since September 2005. We have never offered franchises in any other line of business. We do not engage, and have never engaged, in any business activities or any other line of business other than as described in this Disclosure Document. We have no predecessors.

Our parent and affiliate is School of Rock, LLC, which was originally organized in Delaware on December 17, 2004 under the name Paul Green School of Rock Music, LLC. Its principal place of business is 1 Wattles Street, Canton, MA 02021.

School of Rock, LLC has been operating businesses of the type to be conducted by you as described in this Disclosure Document since December 2004. As of December 31, 2021, School of Rock, LLC owned and operated a total of 45 School of Rock businesses either itself or through its wholly owned subsidiaries.

School of Rock, LLC has never offered franchises of the type being offered in this Disclosure Document or in any other line of business. School of Rock, LLC may sell certain branded merchandise to our franchisees, such as t-shirts, sweatshirts, other clothing, and accessories.

On June 26, 2009, School of Rock, LLC entered into a Unit Purchase Agreement with Sterling SOR, LLC, a Delaware limited liability company. Sterling SOR, LLC is a subsidiary of Sterling Partners, a private equity firm that owns an interest in more than two dozen active investments. Under the Unit Purchase Agreement, Sterling SOR, LLC acquired a controlling interest in School of Rock, LLC and its affiliates, including us.

The first School of Rock business was opened by the musician Paul Green in Philadelphia, Pennsylvania in 1997. We originally did business under the name "Paul Green School of Rock Music," but, since January 2010, we have conducted business under the name "School of Rock."

Description of the Franchised Business and the System

The Franchised Business. We grant franchises for the establishment and operation of a School of Rock business (the "School") under a franchise agreement (the "Franchise Agreement").

The School is operated under the trade name "School of Rock." In order to become a School of Rock franchisee, you must operate your School in accordance with our standards and specifications, and you must sign a Franchise Agreement (Exhibit G-1). If you are renewing an existing Franchise Agreement

for another term, you will sign our current Franchise Agreement and our Renewal Amendment to the Franchise Agreement (Exhibit G-2).

In limited cases for certain markets and for certain qualified prospective franchisees, we may also offer you the opportunity to enter into a development agreement (the "Development Agreement") with us for the right to establish and open additional School of Rock businesses in a specified area ("Development Area") (Exhibit F). Under the Development Agreement, we will specify the number of School of Rock businesses you must develop within the Development Area and will establish deadlines by which you must open each school ("Development Schedule"). For each School of Rock business that you open under the Development Agreement, you must sign a separate, then-current Franchise Agreement, except that the initial franchise fee, royalty fee, and advertising fee will be the same as described in this Disclosure Document.

The System and Proprietary Marks. We offer a distinctive system (the "System") for the operation of School of Rock businesses, which offer a rock music program that provides, among other things, individual music lessons; group rehearsals; performance experience; exclusive, limited access to the school and school equipment during business hours; and branded merchandise. The School will be operated according to the System. The distinguishing characteristics of the System include a rock music program for children and adults; a method for teaching students through performing in front of a paying audience in a real rock venue; the use of proprietary technology to enhance the teaching of students playing in ensembles; an optional program for providing music instruction to young children under the mark "Little Wing™" (the "Little Wing™ Program"); and regional groups of elite students known as "The School of Rock AllStars," who are personally chosen and directed by our Music Directors; all of which may be changed, improved and further developed by us periodically. Although School of Rock programs are principally designed to be delivered as in-person experiences, franchisees may be required or permitted to conduct individual and group lessons, rehearsals, live performances, and other programs remotely, through approved video conferencing and live streaming solutions. This capability allows for continuity of learning in cases of student vacation or illness, inclement weather, and other disruptions.

The School will be operated in accordance with our confidential operating manuals (the "Manuals"), a copy of which will be loaned to you or made available to you through a password-protected website. You will also be provided with the right to use certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the marks "School of Rock," "School of Rock Music," "The Rock School Venue," "Little Wing," and the School of Rock logo, as are now designated and may be designated by us in writing for use in connection with the System (collectively, the "Proprietary Marks").

Market and Competition. While we offer a distinctive format and System, the market for music lessons, such as those that will be offered by the School, is developed and competitive. The School will compete with other national and local music schools and independent music teachers that provide music lessons both in-person and virtually. You will also compete with local music education providers and national programs.

Industry Specific Laws and Regulations. Your School will be subject to federal, state, and local laws and regulations that are applicable to businesses generally, such as the Americans with Disabilities Act and the Occupational Safety and Health Act. Your School may also be subject to specific federal, state and local laws and regulations that relate to the particular nature of the business, such as occupancy and zoning codes.

Item 2

BUSINESS EXPERIENCE

Robert Price
President and Chief Executive Officer

Mr. Price has served as our President and Chief Executive Officer since July 2017 in Canton, Massachusetts.

Anthony Padulo
Chief Development Officer

Mr. Padulo has served as Chief Development Officer since June 2017 and is located in Glen Ellyn, Illinois.

John Cappadona
Chief Financial Officer

Mr. Cappadona has served as Chief Financial Officer since February 2018 in Canton, Massachusetts. Prior to this, Mr. Cappadona served as the Vice President of Finance for Sentient Jet, LLC in Quincy, Massachusetts from July 2015 to February 2018.

Stacey Ryan
Chief Operating Officer

Ms. Ryan has served as Chief Operating Officer since March 2019 and is based in Canton, Massachusetts. From January 2018 to March 2019, Ms. Ryan served as our Vice President of Operations in Canton, Massachusetts. From January 2017 until January 2018, Ms. Ryan served as Vice President of Company Operations, in Canton, Massachusetts.

Sam Dresser
Chief Innovation Officer

Mr. Dresser has served as our Chief Innovation Officer since April 2021 and is located in Glen Ellyn, Illinois. Mr. Dresser served as our Vice President of Education from March 2017 to April 2021 in Glen Ellyn, Illinois.

Mary Connor
Chief Human Resources Officer

Ms. Connor has served as our Chief Human Resources Officer since April 2021 in Canton, Massachusetts. Ms. Connor served as our Vice President of Human Resources from October 2017 to April 2021 in Canton, Massachusetts.

Eric Schmidt
Vice President of Information Technology

Mr. Schmidt has served as our Vice President of Information Technology since March 2020 and is based in Glen Ellyn, Illinois. Mr. Schmidt served as our Senior Director of Information Technology from November 2018 to March 2020 in Glen Ellyn, Illinois. Previously, Mr. Schmidt was a Director of Business

Intelligence for the affiliated companies Arjo, Getinge, and ArjoHuntleigh in Addison, Illinois, from March 1999 to June 2018.

Alexandra Clougherty
Vice President of Marketing

Ms. Clougherty has served as our Vice President of Marketing since January 2022 and is based in Los Angeles, California. Ms. Clougherty served as our Digital Marketing Director from January 2021 to December 2021 in Los Angeles, California. Prior to that, Ms. Clougherty was the Consumer Engagement Manager for Harvest Health & Recreation, Inc., in Los Angeles, California, from May 2019 to January 2021. From July 2016 to May 2019, Ms. Clougherty served as the Digital Marketing Director for KB Home in Los Angeles, California.

James Love
Vice President of Operations

Mr. Love has served as our Vice President of Operations since January 2022 in Canton, Massachusetts. Mr. Love served as our Director of Operations/Northeast from October 2018 to January 2022 in Canton, Massachusetts. Prior to that, Mr. Love served as General Manager/Music Director of School of Rock Fort Washington, in Fort Washington, Pennsylvania, employed first by Musicmaker Fort Washington, LLC (March 2015 to April 2018) and then by our parent and affiliate School of Rock, LLC (April 2018 to October 2018).

David Zucker
Director and Chairman of the Board

Mr. Zucker has served as a Director since January 2011 and as Chairman of the Board since June 2014. He is located in Kenilworth, Illinois. Since October 2017, Mr. Zucker has served as Chairman of Experiential Events Group, LLC, based in Concord, North Carolina. Since 2015, Mr. Zucker has served as a director of Built Worlds Media, LLC, based in Chicago, Illinois. Since October 2014, Mr. Zucker has served as Chairman of Prime First Health, LLC, based in Atlanta, Georgia. Mr. Zucker has also served as Chairman of NorthShore-Edward Elmhurst Health, based in Chicago, Illinois since 2019.

Dr. Joseph Roberts
Director

Dr. Roberts was the founding partner and has served as a Director since our inception in August 2005. He is based in Philadelphia, Pennsylvania. He was Chairman of the Board from August 2005 through June 2009. Dr. Roberts has also operated a cosmetic and restorative dental practice in Philadelphia, Pennsylvania since 1985.

Jeff McClusky
Director

Mr. McClusky has served as a Director since January 2013 and is located in Chicago, Illinois. Mr. McClusky has served as a consultant for Ocean Tomo in Chicago, Illinois since December 2012, and as a National Promotion Advisor for Decca Records/Universal Music Group in New York, New York since October 2012. Since January 1981, Mr. McClusky served as founder and President of Jeff McClusky & Associates in Chicago, Illinois.

Merrick Elfman
Director

Mr. Elfman has served as a Director since June 2016. Since May 1987, he has served as Senior Managing Director of Sterling Partners, based in Chicago, Illinois, and has served on a number of boards of directors of Sterling Partners portfolio companies during that period.

Chad Kilpatrick
Director

Mr. Kilpatrick has served as a Director since May 2015 and is located in Denver, Colorado. Since August 2016, he has served as Chief Strategy and Financial Officer of SusieCakes Holdings, Inc. in Denver, Colorado.

M. Avi Epstein
Director

Mr. Epstein has served as a Director since May 2019, though he has been involved with the company since 2008. Mr. Epstein also serves on a number of boards of directors of Sterling Partners portfolio companies. Mr. Epstein joined Sterling Partners in 2008 and serves as Chief Operating Officer and General Counsel. He is located in Chicago, Illinois.

Charlie Walker
Director

Mr. Walker has served as a Director since March 2020. He is located in Virginia Beach, Virginia. Mr. Walker is a partner and manager of C3 Presents LLC Live Nation in Austin, Texas, and has held that position since January 2007.

Item 3

LITIGATION

Pending: None.

Concluded:

Amy Blumenthal v. School of Rock Charlotte, LLC, SOR Schools III, LLC, School of Rock, LLC, and John Cappadona, General Court of Justice, Superior Court Division, County of Mecklenburg, State of North Carolina, No. 20-CVS-15294, filed November 17, 2020. Our parent, CFO, and certain affiliates (collectively, "Defendants") were named in a landlord/tenant dispute related to a company-owned School operated by School of Rock Charlotte, LLC and its successors ("SOR Charlotte"). SOR Charlotte alleged significant health and safety issues and ultimately terminated the lease and vacated the premises. Plaintiff then sued defendants, alleging breach of contract, fraud, negligent misrepresentation, unfair and deceptive trade practices, breach of fiduciary duty, and alleged various harms related to the lease termination. Plaintiff sought damages in excess of $25,000. Defendants denied the allegations and asserted counterclaims for breach of lease, constructive eviction, unfair and deceptive trade practices, and a right to indemnity. On May 10, 2021, the parties entered into a Settlement Agreement, under which all parties denied any allegations of fault or liability, and Defendants agreed to pay plaintiff $35,000.

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

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

Initial Franchise Fee

You must pay to us a $49,900 lump sum, non-refundable initial franchise fee for a single School of Rock franchise to be operated under an individual Franchise Agreement. You must pay the entire initial franchise fee no later than the date of your signing the Franchise Agreement. Except as otherwise described in this Item 5, all franchisees pay the same initial franchisee fee.

Veterans' Discount. If you are a veteran (or an entity majority-owned by a veteran) of the U.S. military, you are eligible for a $5,000 discount on the initial franchise fee payable under the first School of Rock Franchise Agreement you sign. We reserve the right to modify or cancel this veterans' discount at any time.

Incentive Program. From time to time, in our sole discretion, we grant select existing franchisees that are ranked in the top tier of financial performance the limited opportunity to sign an additional Franchise Agreement for a second location within their existing franchise territory without payment of an initial franchise fee.

Development Fee

We generally do not offer Development Agreements to first-time franchisees. However, if we offer you the opportunity to enter into a Development Agreement with us, you must pay to us a lump sum, non-refundable development fee equal to $24,950 for each school you are granted the right to open under the Development Agreement. In order to enter into a Development Agreement, you must agree to develop at least one School of Rock business. You must pay the entire development fee no later than the date of your signing the Development Agreement. The development fee will be credited towards the initial franchise fee due under each Franchise Agreement you sign on a pro rata basis. The development fee is deemed fully earned and non-refundable when you sign the Development Agreement in consideration of the administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the development rights granted to you.

Other Initial Fees

You must provide us at least 30 days' notice of the date on which you propose to first open the School. If there is a change in the opening date, not caused by us, we can require you to reimburse us for the greater of (a) our actual out-of-pocket costs and expenses incurred by us due to this delay, including travel costs and expenses for our representative(s), or (b) $300 for each additional day that our representative(s) is in your area beyond the scheduled visit as a result of delay in opening the School. If imposed, these fees are non-refundable.

Item 6

OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	8% of Gross Sales	10th day of each month	You must pay us a monthly royalty fee for the preceding month. For purposes of calculating this royalty fee, "Gross Sales" means all revenues generated from sales of all products and services conducted at, from or with respect to the School, including Live Performances and Professional Performances (as defined in Sections 1.5 and 7.5 of the Franchise Agreement), the Little Wing Program (if you offer it), and any Independent Facilities (as defined in the Franchise Agreement), whether or not in compliance with the Franchise Agreement and whether the sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales do not include the sale of products or services for which refunds have been made in good faith to customers, the sale of equipment or furnishings used in the operation of the School, or any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority. Gross Sales also include any insurance proceeds you receive for loss of business due to a casualty to or similar event at the School.
Brand Fund	3% of Gross Sales	10th day of each month	You must pay to the System's advertising and brand promotion fund (the "Brand Fund") a monthly fee for the preceding month.
Advertising Cooperative	Up to 3% of Gross Sales (as determined by the Cooperative)	As required by the Advertising Cooperative	We have the right, in our discretion, to establish a Cooperative in which franchisees may voluntarily choose to participate. If established, each School of Rock business participating in a Cooperative will have one vote on any matter requiring member approval, and each Cooperative will have the right to require its members to make contributions to the Cooperative in an amount determined by the Cooperative, unless two-thirds of the members of the Cooperative vote in favor of a greater contribution. Company-owned locations have no voting power on any fees imposed by the Cooperative unless they are members of such Cooperative. Any payments you make to the Cooperative will be credited towards your required local advertising expenditure. There are no Cooperatives currently.
Interest	On overdue payments, the lesser of 18% per annum or the maximum rate permitted by law	As incurred	All required royalty fees and advertising contributions must be paid by the 10th day of each month based on your Gross Sales in the preceding month and must be submitted to us together with any reports or statements required by the Franchise Agreement. If any payment is overdue, you must pay us immediately upon demand, in addition to the overdue amount, interest on this amount from the date it was due until paid.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Insurance	Cost of insurance and, if not obtained by you, our procurement expense	As required and as incurred	Before you open your School, you must purchase and maintain at your sole expense at all times during the term of the Franchise Agreement the insurance coverage required by the Franchise Agreement, including comprehensive general liability insurance (including coverages for medical expense, abuse and molestation, and special event liability), property insurance (including fire, vandalism, and malicious mischief insurance for the replacement value of the School and its contents), personal and advertising injury insurance, statutory workers' compensation insurance (if not required in your state, you must obtain workers' compensation insurance regardless) employer's liability insurance, crime coverage for employee theft, and automobile insurance coverage for all vehicles used in connection with the operation of the School. If you fail to obtain or maintain the insurance required, we will have the right and authority (but not the obligation) to procure and maintain the required insurance in your name and to charge you for it, which charges, together with a reasonable fee for our expenses in so acting, will be payable by you immediately upon notice. Insurance requirements are described in more detail in the Manuals.
Inspection/Audit	Cost of audit, plus any underpaid amounts and interest thereon	As incurred	If an inspection or audit reveals that any income or sales have not been reported or have been understated in any report to us, then you must pay us the amount underpaid immediately upon demand, in addition to interest from the date the amount was due until paid, plus all of our costs and expenses in connection with the inspection or audit, including travel costs, lodging and wage expenses, and reasonable accounting and legal fees and costs.
Site Selection (including on-site evaluation)	Amount of expenses	As incurred	Under the Franchise Agreement and Development Agreement, we will conduct, if we deem necessary and appropriate, on-site evaluations of a properly submitted proposed site. For each on-site evaluation (if any), we may require you to reimburse us for all of our reasonable out-of-pocket costs and expenses.
Transfer	A certain percentage, or one-third, of the then-current initial franchise fee	Time of transfer	If there is a transfer under the Franchise Agreement, you must pay to us a transfer fee as follows: if there is a proposed transfer of (i) less than 50% of the ownership interests in you (if you are a corporation, limited liability company, or a partnership), then you must pay to us a transfer fee which is equal to the greater of $2,500 or the mathematical product of the total ownership percentage in you being transferred multiplied by an amount equal to one-third of our then-current initial franchise fee; or (ii) 50% or more of the ownership interests in you (if you are a corporation, limited liability company, or a partnership), all your assets, or a transfer or assignment of the Franchise Agreement, then you must pay to us a transfer fee in an amount equal to one-third of our then-current initial franchise fee. In the event of a transfer to a corporation or limited liability company formed by you for the convenience of ownership, you will not have to pay a transfer fee.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Renewal	One-third of the then-current initial franchise fee	Time of renewal	If you renew your rights under the Franchise Agreement, you must pay to us a renewal fee in an amount equal to one-third of our then-current initial franchise fee being charged to franchisees at the time of the renewal.
Indemnification	Cost of liability	As incurred	Under the Franchise Agreement and Development Agreement, you must indemnify and hold us, and our officers, directors and employees harmless against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with your operation of the School, as well as the costs, including attorneys' fees, of the indemnified party in defending against them.
Collection Costs and Attorneys' Fees	Cost of collection and attorneys' fees	As incurred	Under the Franchise Agreement, you must pay to us all damages, costs, and expenses, including all court costs, arbitration costs, and reasonable attorneys' fees, and all other expenses we incur in enforcing any obligation or in defending against any claim, demand, action, or proceeding relating to the Franchise Agreement or Development Agreement, including the obtaining of injunctive relief.
Information Technology Fee	Currently $393	Monthly	To cover website hosting, e-mail licenses, and certain other technology resources and software, you will pay us a monthly information technology fee and variable monthly fees to third-party providers, as described in Item 11. The current total fee amount shown in this table is for a typical School using four email/Okta licenses and one Business Intelligence license. The fee amount may be higher depending on the number of specific licenses you require and may increase depending on bandwidth or functionality changes in our website and changes in our technology vendors or requirements.
PRO Licensing Fee	Currently $78	Monthly	We or our affiliates have negotiated and are negotiating license agreements with Performance Rights Organizations to allow schools to perform and playback copyrighted music used in the operations of the school and on the premises of the school. You must pay us a monthly licensing fee to cover the cost of these licenses for your School. We reserve the right to increase or decrease the amount of the fee as the cost of the licenses changes, or as we or our affiliates negotiate additional licenses.
Method App Fee	Currently, $5.40 per curriculum-eligible student	Monthly	Our parent and affiliate, School of Rock LLC, has developed a proprietary mobile device and desktop application, called the School of Rock Method App, that is used in the operations of the School to aid in the delivery and execution of our curriculum. (See Item 11.) School of Rock LLC has negotiated agreements with application developers and copyright owners to include a library of copyrighted music notation within the Method App to be accessed by curriculum-eligible students and School of Rock staff, as defined in the Manuals. To cover the cost of these agreements, you must pay School of Rock LLC a monthly Method App Fee for each curriculum-eligible student in your School.

The above table describes other recurring or isolated fees or payments that you must pay to us, or which we impose or collect on behalf of a third party, in whole or in part. Unless otherwise indicated, all of the fees listed are non-refundable, are uniformly imposed, and are imposed by, payable to, and collected by us.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT[18]
(Franchise Agreement)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee[1]	$49,900	Lump sum	At signing of Franchise Agreement	Franchisor
Initial Rent Outlays[2]	$13,750 - $21,250	Lump sum	At signing of lease agreement	Landlord
Site Selection and Leasehold Improvements[3]	$262,500 - $325,000	As arranged	Before opening; as incurred	Contractors / Suppliers
Furnishings and Finishings[4]	$14,000 - $26,000	As arranged	Before opening	Suppliers
Equipment[5]	$26,000 - $30,000	As arranged	Before opening	Suppliers
Security Camera[6]	$11,000 - $20,000	As arranged	Before opening	Suppliers
Signage[7]	$7,000 - $14,000	As arranged	Before opening	Suppliers
Supplies[8]	$1,000 - $2,000	As arranged	Before opening	Suppliers
Pre-Opening Training[9]	$1,250 - $2,000	As arranged	Before opening	Suppliers
Advertising[10]	$10,000	As arranged	Before opening and within 30 days after opening	Suppliers
Opening Inventory[11]	$3,000 - $4,000	Lump sum; as arranged	Before opening; as incurred	Suppliers
Computer/ Software[12]	$4,000 - $8,500	As arranged	Before opening; as incurred	Suppliers

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Permits & Licenses[13]	$2,000 - $3,500	As arranged	As incurred	Government Authorities
Architectural Fees[14]	$10,000 - $11,750	As arranged	As incurred	Suppliers
Prepaid Insurance Premiums[15]	$500 - $3,000	As arranged	As incurred	Insurance Broker
Utility Costs & Deposits[16]	$600 - $1,500	As arranged	Before opening; as incurred	Suppliers
Miscellaneous Opening Expenses[17]	$3,500 - $7,500	As arranged	As incurred	Consultants
Additional Funds for 3 months[18]	$21,000 - $54,000	As arranged	As incurred	Suppliers / Employees / Others
TOTAL[19]	**$441,000 - $593,900**			

Except as otherwise described in the notes below, the above table provides an estimate of your initial investment for a new, single School of Rock business and the costs necessary to begin operation of your School. All costs listed in the table are estimates only. Actual costs will vary for each franchisee and each location depending upon a number of factors. All fees and payments described in this Item 7 are non-refundable, unless otherwise stated or permitted by the payee.

NOTES

[1] See Item 5 for a description of the initial franchise fee for franchisees and the development fee for developers. The initial franchise fee is not refundable.

[2] If you do not own or purchase a site for your School, you must lease or acquire a site for your School for the term of the Franchise Agreement. In the event that you lease the premises for the School, we have provided an estimated cost, which includes one month's rent plus one month's rent as security deposit. Your lease must contain certain provisions as required under the Franchise Agreement. We have not provided an estimate of costs incurred for purchasing the premises for the School, as we anticipate you will lease the premises. The School will ideally be located in a freestanding building or flex space (convertible retail or office) or Class B, C, or D commercial real estate. The approximate size of the premises and the building for your School will likely be a minimum of approximately 2,500 square feet at an approximate cost of $26 to $38 per square foot per year, net of common area charges. Common area charges (CAM) can range between $7 to $13 per square foot per year.

[3] You must renovate or construct your School according to our standards and specifications. Depending on the building leased or purchased by you, no renovation or construction may be necessary. The estimate in the table includes the costs of construction and fixtures and assumes that basic plumbing, electricity, and heat or air conditioning exists on the premises. Before you begin any renovation or construction of the School, you must, at your expense, employ a qualified, licensed architect or engineer to prepare preliminary and final architectural drawings and specifications of the Premises in accordance with our standard

specifications for a School of Rock business. These preliminary and final drawings and specifications must be submitted to us for our written approval. These costs are based on an average school size of approximately 2,500 square feet and are based on an average construction cost between $105-$130 per square foot. (The variance in per square foot costs are related to the type or prior use of the leased premises.) Please note that costs may be higher or lower depending on your local market and that building a larger school adds incremental costs not only for construction, but for design/decor, furniture, gear, security cameras, and insurance.

[4] This estimate includes the costs of basic furniture that complies with our standards and specifications as well as artwork, ornamental lighting (such as stage lighting), wall coverings (such as graphic wallpaper and sound panels), and other decorative items.

[5] This estimate reflects the cost of purchasing the basic equipment necessary to operate your School and incidental office equipment. The estimate includes the cost of music equipment, office equipment and furniture, telephones, and other equipment.

[6] Camera hardware, low voltage wiring, and installation will range from approximately $11,000 for an 18-camera configuration to $20,000 for a 24-camera configuration. Monthly access charges for cameras are approximately $6 per camera.

[7] All signage must be approved by us and we will provide specifications for approved signage. The figures in the chart reflect the estimated cost of interior and exterior signage and other signage that meet our standards, specifications and requirements (including the estimated average cost of a raceway illuminated sign, replacement tenant panels on a monument/pylon sign, permitting, and installation). The cost of signs depends on the size and location of your School, the particular requirements of the landlord, and local and state ordinances and zoning requirements.

[8] You must purchase supplies for the School. This estimate includes the cost of cleaning products and supplies, basic office supplies, and computer supplies.

[9] The majority of our initial training program is provided virtually, via teleconference, video conference, or the Internet. As described in more detail in Item 11, you (or, if you are a legal entity, one or more of your owners) must attend the final week of initial training in person. The estimate in the chart includes expenses for one person's (you or one of your owners) travel, food, and lodging while attending the final week of the initial training program.

[10] Beginning 60 days before the grand opening of the School, and within 30 days after the opening, you must spend at least $10,000 on an initial, grand opening advertising, marketing, and promotional program in the form and manner we prescribe. Included in this $10,000 is your obligation to purchase a "Kick It Open Kit" from our designated supplier that includes a number of elements critical to your Grand Opening Marketing campaign. You are also required to spend 3% of your annualized Gross Sales on local advertising during each year of the term of the Franchise Agreement.

[11] You must stock your School with an initial inventory of products, accessories, and supplies as prescribed by us in the Manual or otherwise in writing. We will provide you with a list of equipment needed to open the School in the Manual or otherwise in writing. The above estimated cost covers a supply of inventory for sales for approximately three months. Your cost will be based upon the amount purchased. Your actual amount purchased will depend on your anticipated sales, which will depend on a variety of factors such as the size and location of your School and overall anticipated demand.

[12] This estimate reflects the cost of your computer hardware and software, which includes the cost of your Computer System and the Required Software, and the cost of the typical equipment package required for live streaming, along with three months of the basic service plan from the recommended live streaming software vendor (StreamYard). See Item 11.

[13] Before the opening of your School, you must obtain all necessary government approvals, permits and licenses. The above estimate includes the costs of obtaining building permits, certificates of occupancy and certificates of health, "dba" registrations, business licenses, and reseller's certificates.

[14] You are required to use our approved architectural firm to prepare preliminary and final architectural drawings and specifications of the premises of your School in accordance with our standard specifications for a School of Rock business. To assist franchisees in the preparation of these drawings and specifications, we have negotiated a reduced pricing arrangement with this preferred provider.

[15] Before you open your School, you must purchase the insurance coverage required by the Franchise Agreement, and described in Item 6, above. The cost of the business insurance coverage will vary from state to state and will depend on your prior loss experience, if any, and/or the prior loss experience of your insurance carrier in the state or locale in which you operate, and national or local market conditions. We anticipate that you will have to pay your insurance carrier or agent 25% of an annual premium in advance. The estimate provided in the chart is for 25% of an annual premium covering general liability and worker's compensation.

[16] This estimate includes the costs of deposits necessary to begin services for gas, electricity, telephone, and water that you will need to operate your School.

[17] This category includes the costs of legal and accounting services as well as office supplies and other expenses typically incurred to begin the operation of any franchise business. These expenses will vary depending on your decisions about how to equip your School within the standards specified by us.

[18] The estimates in the chart, including the amount of additional funds, are based on the actual opening experience of our parent and affiliate in operating company-owned School of Rock businesses. We estimate the monies described in the chart will be necessary during the first 3 months that your School is open and operating. During the first 3 months of operation, controllable expenses, such as labor, supplies, and direct operating costs, are typically above average for a School of Rock business due to the need for additional staff training to ensure exceptional service and promotion of the School. The actual amount of additional funds you will need will depend on a variety of factors, such as the number of paid employees you hire and their rate of pay, your own management and operational skill, economic conditions, and competition.

[19] We do not offer financing for any part of the initial investment.

YOUR ESTIMATED INITIAL INVESTMENT
(Development Agreement)[1]

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development fee[2]	$24,950 per school	Lump sum	At signing of Development Agreement	Franchisor

NOTES

[1] As noted in Item 5, we generally do not offer Development Agreements to first-time franchisees. In order to enter into a Development Agreement, you must agree to develop at least one School of Rock business. The above table provides an estimate of your initial investment for entering into a Development Agreement for the right to establish one School of Rock business. To determine the costs of operating each School of Rock business, please refer to the first table in this Item 7.

[2] You will only be required to pay a development fee if you sign a Development Agreement. The development fee will be $24,950 for each school you are granted the right to open under the Development Agreement. The estimate in the table is based on your purchasing the right to open one school. If you purchase the right to open more than one school, the development fee will be greater. The development fee will be credited towards the initial franchise fee due under each Franchise Agreement you sign. The development fee is not refundable.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure that the highest degree of quality and service is maintained, you must operate the School in strict conformity with the methods, standards and specifications as we may periodically prescribe in the Manuals or otherwise in writing; and you must refrain from deviating from these methods, standards and specifications without our prior written consent. We may revise the contents of the Manuals, and you must comply with each new or changed standard and specification. We have revised the Manual over 25 times in the last 10 years. You must at all times ensure that your copies of the Manuals are kept current and up to date.

Before you open your School, you must purchase and maintain at your sole expense at all times during the term of the Franchise Agreement the insurance coverage required by the Franchise Agreement in amounts we designate in the Manual or otherwise in writing, including comprehensive general liability insurance including coverages for medical expense, abuse and molestation (which may require additional coverage, depending upon your insurance provider), and special event liability ($2 MM Per Occurrence/ $2 MM Aggregate), all risk property insurance coverage (including fire, vandalism, and malicious mischief insurance for the replacement value of the School and its contents), personal and advertising injury insurance, statutory workers' compensation insurance (if not required in your state, you must obtain workers' compensation insurance, with minimum limits of $100,000 per occurrence/$100,000 per employee/$500,000 total), employer's liability insurance, crime coverage for employee theft (with a minimum limit of $50,000), and automobile insurance coverage for all vehicles used in connection with the operation of the School (or at a minimum, Non-Owned and Hired/Borrowed Auto Liability coverage for

rental vehicles with a Combined Single Limit of $1 MM). If you fail to obtain or maintain the insurance required, we will have the right and authority (but not the obligation) to procure and maintain the required insurance in your name and to charge you for it, which charges, together with a reasonable fee for our expenses in so acting, will be payable by you immediately upon notice.

You must adhere to our music program as prescribed in the Manuals and designate at least one director of music ("Music Director"), who must, if we require, attend and complete those components of our initial training program relevant to the role of Music Director, as we determine in our sole discretion. You must sell or offer for sale only those products and services as we have expressly approved for sale in writing; sell or offer for sale all types of products and services we specify, including branded merchandise; refrain from any deviation from our standards and specifications without our prior written consent; and discontinue selling and offering for sale any products or services which we may, in our discretion, disapprove in writing at any time. You must maintain in sufficient supply (as we may prescribe in the Manuals or otherwise in writing), and use at all times, only those products acquired from a supplier or suppliers we designate or approve, and those other products, materials, supplies, paper goods, cleaning products, chemicals, fixtures, furnishings, equipment, and signs, as conform with our standards and specifications.

You must purchase and install, at your expense, all fixtures, furnishings, equipment (including music equipment, telephone(s), computer, printer, and point-of-sale system), décor, and signs as we may reasonably direct periodically; and refrain from installing or permitting to be installed on or about the premises of your School, without our prior written consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved as meeting our standards and specifications.

All products and services offered or sold at or through the School, and other products, materials, supplies, paper goods, fixtures, furnishings, software, and equipment used in the operation of the School, must meet our then-current standards and specifications, as established in the Manuals or otherwise in writing. You must purchase all products and services for which we have established standards or specifications solely from suppliers that we have approved (which may be us or our affiliates). We (or our affiliate) are an approved supplier for Little Wing™ materials and branded merchandise. We may sell these items through designated vendors. There are no products and services for which we (or our affiliate) are the only approved suppliers; however, we reserve the right to designate ourselves (or our affiliate) as such. There are no approved suppliers that make payments to us because of transactions with you and other franchises.

In some circumstances, we may designate a sole supplier for certain products, services, or equipment. If we designate a specific supplier for specified products or equipment, you must use that supplier for the specified product or equipment. If we have not designated a specific supplier for certain products or equipment, and you desire to purchase products or equipment from a party other than an approved supplier, you must submit to us a written request to approve the proposed supplier, together with evidence of conformity with our specifications as we may reasonably require. We do not charge a fee for your requests. We will use our best efforts, within 30 days after our receipt of the completed request and completion of the evaluation and testing (if required by us), to notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or offer for sale any products of the proposed supplier until our written approval of the proposed supplier is received. We may periodically revoke our approval of particular products or suppliers when we determine, in our sole discretion, that these products or suppliers no longer meet our standards. Upon receipt of written notice of revocation, you must cease to sell any disapproved products and cease to purchase from any disapproved supplier. You must only offer and sell products to retail customers for their use and consumption and not for resale. We grant and revoke approval of suppliers based on their ability to meet our standards and specifications and their ability to support our financial and operational requirements.

We formulate and modify specifications and standards imposed upon franchisees by evaluating the market acceptance of products and the financial stability of suppliers. We do not have to issue our specifications and standards to franchisees or approved suppliers, nor are criteria for supplier approval made available to franchisees.

We estimate that the cost of goods and services you purchase or lease from us, our affiliates, or other approved suppliers will be approximately 5-10% of the total cost of goods and services you purchase or lease to establish and operate the franchised business. We may receive rebates or other discounts from certain suppliers for purchases made by you and other franchisees. In 2022, we had revenues of approximately $109,224 from our commissions on sales of GearSelect merchandise. This revenue represents approximately 0.6% of our 2022 total revenues of $19,327,225. We received no other revenues in 2022 from required purchases and leases by franchisees. In 2022, our parent and affiliate School of Rock, LLC had revenues of $2,417,121 from required purchases and leases by franchisees of goods and services, entirely from its Method App sales to our franchisees. This revenue was collected from franchisees as a pass-through for Method App services and paid directly to third-party service providers. The information for School of Rock, LLC is based on its internal financial statements.

We have negotiated purchase arrangements with suppliers (including price terms) for the benefit of our franchisees. We have negotiated special discounted price terms with certain suppliers of music equipment, which you can purchase, at your option, directly from the supplier. We do not provide any direct material benefit to franchisees for use of approved suppliers, and you will not receive any direct material benefit for using designated or approved sources. We do not have a purchasing or distribution cooperative related to our franchises. There are currently no approved suppliers in which any of our officers own an interest.

Item 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	1.2, 5.1, 5.2, and 5.3	1.1, 3 and 5.1	11
b. Pre-opening purchases/leases	7.8, 7.10	3.3 and 3.4	5, 6, 7 and 8
c. Site development and other pre-opening requirements	5, 7.9 and Exhibit B	1.1, 3 and 5.1	11
d. Initial and ongoing training	6	Not Applicable	6, 7 and 11
e. Opening	5 and 7.9	3.5	11
f. Fees	4, 7.19, 12.7, and 14.3.10	2 and 7.3.10	5, 6 and 7

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
g. Compliance with standards and policies/Operating Manuals	7.3 and 9	8.2	8 and 11
h. Trademarks and proprietary information	8 and 10	1.4	13 and 14
i. Restrictions on products/services offered	7.2, 7.3, 7.4, 7.5, 7.8, 7.9 and 7.10	Not Applicable	8 and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable	11
k. Territorial development and sales quota	1.3	1	12
l. Ongoing product/service purchases	7.3	Not Applicable	8
m. Maintenance, appearance and remodeling requirements	2.2.2, 7.13 and 7.14	Not Applicable	11
n. Insurance	13	Not Applicable	6 and 7
o. Advertising	12	Not Applicable	6, 7 and 11
p. Indemnification	20.3	10.3	6
q. Owner's participation/management/staffing	7.15 and 17.1	8.1	11 and 15
r. Records/reports	11	Not Applicable	6
s. Inspections/audits	7.11 and 11.5	Not Applicable	6 and 11
t. Transfer	14	7	17
u. Renewal	2.2	Not Applicable	17
v. Post-termination obligations	16	6.3 and 8.5	17
w. Non-competition covenants	17.2 and 17.3	8.4 and 8.5	17
x. Dispute resolution	26	14	17
y. Personal Guaranty	18.2 and Exhibit E	5.2.1.5 and Exhibit E	15

Item 10

FINANCING

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

Item 11

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

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

Pre-Opening Obligations

Development Agreement

For each School of Rock business developed under the Development Agreement, we will provide you with the following:

1. We will provide such site selection guidelines and consultation as we deem advisable (Development Agreement, Section 5.1.1);

2. We will provide such on-site evaluations as we deem advisable as part of our evaluation of your request for site approval. You will be responsible for our reasonable out-of-pocket costs and expenses (Development Agreement, Section 5.1.2); and

3. We will provide such assistance for lease negotiation as we deem advisable in our sole discretion (Development Agreement, Section 5.1.3).

Franchise Agreement

Before the School opens, we must provide the following to you:

1. We will make available to you our specifications for a prototypical School of Rock business (Franchise Agreement, Section 3.1.1);

2. We will provide initial training for you as described below and your employees (Franchise Agreement, Sections 3.1.2 and 6);

3. We will make available to you advertising and promotional materials at your expense (Franchise Agreement, Sections 3.1.3 and 12);

4. We will make our Manuals available to you through a password protected website (Franchise Agreement, Sections 3.1.4 and 9);

5. We will provide you with a list of equipment that will be needed to open the School and information regarding any discount packages that we may negotiate periodically with suppliers from which you may purchase the equipment (Franchise Agreement, Section 3.1.6);

6. We will provide site selection guidelines and consultation as we deem advisable (Franchise Agreement, Section 3.1.8 and 5.1);

7. We will provide on-site evaluations as we deem advisable as part of our evaluation of your request for site approval. You will be responsible for our reasonable out-of-pocket costs and expenses (Franchise Agreement, Section 3.1.8 and 5.1); and

8. We will provide assistance for lease negotiation as we deem advisable in our sole discretion (Franchise Agreement, Section 3.1.8 and 5.1).

Continuing Obligations

Development Agreement

Under the Development Agreement, we are not obligated to furnish any assistance to you after the opening of each School of Rock business.

Franchise Agreement

After the School opens, we must provide the following to you:

1. We will make available to you advertising and promotional materials at your expense (Franchise Agreement, Sections 3.1.3 and 12);

2. We will provide to you at the time(s) and in the manner determined by us, in our sole discretion, advice, assistance, and written materials about operations, services, teaching methods, show selection, music development methods, music venue selections, music venue business issues, scheduling methods, sales methods, products, and marketing techniques (Franchise Agreement, Section 3.1.5);

3. We will designate or approve suppliers who will make available to you for sale, products, supplies, materials, and other products and equipment used or offered for sale at the School (Franchise Agreement, Section 7.9); and

4. We will maintain and administer a Brand Fund (Franchise Agreement Section 12.4).

The School of Rock AllStars

We may organize, manage, promote, and arrange for concerts to be performed by national and regional groups of student musicians called "The School of Rock AllStars." The composition of the School of Rock AllStars groups and how they operate are set forth in the Manuals and may be changed by us periodically. We have the right to all revenues generated by the School of Rock AllStars. (Franchise Agreement, Section 3.1.7)

Advertising Programs

Advertising. Beginning 60 days before the grand opening of the School, and within 30 days after the grand opening, you must spend at least $10,000 on an initial, grand opening local advertising, marketing, and promotional program in the form and manner prescribed by us in the Manuals or otherwise in writing. (Franchise Agreement, Section 12.1.)

In addition to the grand opening marketing program, during the entire term of the Franchise Agreement, you are required to expend, on an annual basis, an amount equal to 3% of Gross Sales on local marketing, advertising, and promotion as we may, in our sole discretion, direct in the Manuals or otherwise in writing. (Franchise Agreement, Section 12.2.)

All advertising and promotion by you must be in media and of a type and format as we may approve, including television, print media, radio, and local promotional events, must be conducted in a dignified manner, and must conform to these standards and requirements as we may specify. We may make available to you from time to time, at your expense, such advertising and promotional materials, including merchandising materials, point-of-purchase materials, and materials for special promotions as we determine. We may also set forth in the Manual or otherwise in writing such preapproved templates and brand compliance guidelines for print, digital, social media, and new media advertising (together, the "Brand Advertising Guidelines"). (Franchise Agreement, Section 12.5.) You must submit for our prior review and approval all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including the Internet) that you desire to use if the materials were not (a) prepared by us, (b) included within the Brand Advertising Guidelines, or (c) previously approved by us (and not subsequently disapproved) within the preceding six (6) months. You must not use these plans or materials until they have been approved in writing by us. If you do not receive written notice of approval from us within 15 days of the date of our receipt of these plans and materials, we will be deemed to have disapproved them. All print, digital or social media must follow the Brand Advertising Guidelines as determined by us in our sole discretion and must be withdrawn or removed if we determine that such materials are outside the Brand Advertising Guidelines. (Franchise Agreement, Section 12.6.) You must list and advertise your School online as described in the Manuals. (Franchise Agreement, Section 12.7.)

Brand Fund. You must pay to the Brand Fund a monthly fee in the amount of 3% of your Gross Sales for the preceding month. Your contribution to the Brand Fund is in addition to any required expenditures on local advertising as described above. (Franchise Agreement, Section 12.3.) School of Rock businesses owned and operated by us or our affiliates are not required to contribute to the Brand Fund, but we contributed to the Brand Fund on behalf of the School of Rock business we or our affiliates own and operate.

We and our designees will have the sole authority to direct all advertising, marketing, and promotional programs of the Brand Fund and will have sole discretion over all aspects of those programs, including the concepts, materials, and media used and the placement and allocation of them. (Franchise Agreement, Section 12.4.1.) The Brand Fund will be used, in our discretion, to pay for developing and conducting activities that we believe will enhance the goodwill associated with the Proprietary Marks and the image of the System and to pay for the administration of the Brand Fund and its programs. Up to 15% of the total Brand Fund annually may be used to cover our or our designee's costs and overhead for activities reasonably related to the administration of the Brand Fund, including costs and salaries of our or our designee's personnel who perform services for the Brand Fund. The Brand Fund's activities and programs may include, among other things, conducting and preparing advertising, marketing, public relations, customer surveys, and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System, such as preparing and conducting radio, television, print, and Internet-based advertising campaigns; marketing and promoting the School of Rock All-Stars and Live Performances; utilizing social and business networking media sites and other emerging media or promotional tactics; developing, maintaining, and updating our Website on the Internet; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies; purchasing promotional items; purchasing point-of-purchase materials; providing promotional and other marketing materials and services to the businesses operating under the System; and advertising for the sale of franchises. (Franchise Agreement, Section 12.4.2.) Brand Fund contributions will be used primarily for

advertising on the national level as well as for costs associated with promoting the School of Rock All-Stars, its tours, and special events.

During the 2022 fiscal year, we collected $3,689,199 in Brand Fund fees from franchisees, and we contributed an additional $988,312 to the Brand Fund on behalf of the School of Rock business we or our affiliates own and operate, for a total of $4,677,511. Of that amount, 61% was spent on media placement in 2022, 6% on production, 12% on other advertising, and 15% on overhead. The remaining6% of total Brand Fund monies was not expended during the 2022 fiscal year but will be spent no later than the end of the 2023 fiscal year, in accordance with the Franchise Agreement. (Franchise Agreement, Section 12.4.4.) In the 2022 fiscal year, approximately 13% of all advertising and marketing contributions were used for advertising that was principally a solicitation for the sale of additional franchises. We conduct advertising through third-party advertising agencies as well as in-house marketing personnel. We are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditures or activities of the Brand Fund.

Except as indicated above, we do not receive payment for providing goods or services to the Brand Fund. We will maintain separate bookkeeping accounts for the Brand Fund and may, but will not be required to, cause Brand Fund contributions to be deposited into one or more separate bank accounts. The Brand Fund is not a trust, and we are not a fiduciary or trustee of the Brand Fund or the monies in the Brand Fund. However, we may, in our discretion, separately incorporate the Brand Fund or create a Brand Fund trust, over which we may be the trustee, into which Brand Fund contributions may be deposited. (Franchise Agreement, Section 12.4.3.)

It is anticipated that all contributions to the Brand Fund will be expended for their intended purposes during the fiscal year in which contributions are made. To the extent any contributions are not expended by the end of the fiscal year, they will be expended no later than the end of the taxable year following the year of receipt. (Franchise Agreement, Section 12.4.4.) Although we intend that the Brand Fund will be of perpetual duration, we maintain the right to terminate the Brand Fund. The Brand Fund may not be terminated, however, until all monies in the Brand Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions. (Franchise Agreement, Section 12.4.5.) The Brand Fund will not be audited. You will have the right to review and obtain an annual accounting of the Brand Fund's expenditures for the prior year upon written request.

We do not have an advertising council composed of franchisees.

Advertising Cooperative. We have the right, in our discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the School. We will have the power to require the Cooperative to be formed, changed, dissolved, or merged. Company-owned locations are not required to join or contribute to advertising Cooperatives. Company-owned locations have no voting power on any fees imposed by the Cooperative unless they are members of such Cooperative. Each Cooperative will be organized and governed in accordance with written governing documents, which we must approve, and such documents will control the date of commencement and the operation of the Cooperative. The businesses involved in each Cooperative are responsible for administering the Cooperative. Each School of Rock business, including company-owned locations, participating in the Cooperative will have one vote on any matter requiring member approval, and each Cooperative will have the right to require its members to make contributions to the Cooperative in an amount determined by the Cooperative, up to a maximum of 3% of Gross Sales during any calendar year, unless two-thirds of the members of the Cooperative vote in favor of a greater contribution. Any payments you make to the Cooperative will be credited towards your required local advertising expenditure. If a Cooperative has been established in your area prior to

opening the School, you must become a member of the Cooperative no later than 30 days after opening the School. If a Cooperative is established subsequent to your School's opening, you must become a member of the Cooperative when it is required to be formed. If the School is within the territory of more than one Cooperative, you will not be required to be a member of more than one Cooperative within that territory. All Cooperatives will be required to prepare quarterly financial statements. These financial statements will be made available for review by the franchisees that participate in the Cooperative.

Website. We maintain a website at www.SchoolofRock.com ("Franchisor's Website") and have the right to promote on Franchisor's Website the School of Rock and those company-owned and franchise-owned locations as we determine, and in the manner we determine, in our sole discretion. We have the right to require you to pay us a monthly hosting fee in an amount set forth in the Manuals for the hosting of the School on Franchisor's Website. Hosting fees may change over time if design and content require more bandwidth or functionality. Unless otherwise approved by us in writing, you may not own, establish, or maintain a Website. The term "Website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including any account, page, or other presence on a social or business networking media site such as Facebook, Twitter, LinkedIn, and on-line blogs and forums. However, we can require you to have one or more references or webpage(s), as designated and approved by us in advance, within Franchisor's Website. We have the right to require that you not have any Website other than the webpage(s), if any, made available on Franchisor's Website. (Franchise Agreement, Section 8.8.)

Computer System

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by you, including: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at the School; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and (e) physical, electronic, and other security systems (the "Computer System"). (Franchise Agreement, Section 8.4.)

We also have the right, but not the obligation, to designate, develop, or assign the development of: (a) computer software programs that you must use in connection with the Computer System, which may include web-based software programs (the "Required Software"), which you must install at your expense; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install at your expense; (c) the tangible media upon which you record data; and (d) the database file structure of the Computer System. (Franchise Agreement, Section 8.4.)

At our request, you must purchase or lease, and maintain, the Computer System and the Required Software, which are described below. The approximate cost of purchasing the Computer System and Required Software is $4,000 to $8,500. We have the right at any time to remotely retrieve and use this data and information from your Computer System or Required Software that we deem necessary or desirable. There are no restrictions on our right to access this data and information. You must keep your Computer System in good maintenance and repair and install all additions, changes, modifications, substitutions, and/or replacements to your Computer System or Required Software as we may reasonably direct periodically in writing, all at your own expense. You must upgrade or update your Computer System and Required Software at your expense as we may require. There is no limitation on how often we may require these upgrades or the cost of these upgrades. Your Computer System must be operational before you open your School. (Franchise Agreement, Section 8.4.)

Your Computer System must be capable of running the Required Software, including bookkeeping, database functions, scheduling, and basic cash register functions. The Computer System and Required

Software will be used to record and account for all revenues, track inventory and sales, schedule students and teachers, schedule rehearsals and meetings, and communicate with parents and teachers. Ongoing maintenance and support for the Required Software will be provided by either us or an approved service provider. We have the right to require you to enroll with our approved service provider. You may have to pay a reasonable fee for these services. (Franchise Agreement, Section 8.4.)

Subject to the above requirements, you may purchase or lease any brand and model of personal computer that will accommodate the Required Software. Currently, the Required Software includes Pike13, which is a cloud-based platform that functions as our POS system and scheduling system. You will pay ongoing fees directly to Pike13, Inc. at a rate of $150 per month for your use of the Pike13 software. Several other Required Software programs are provided at a bundled cost. These software programs provide various functionality, including a CRM platform (Hubspot) and tools to manage your local website and online listings, your lead-nurturing process, customer feedback, and more. The pass-through cost of these software programs is $158 per month. Your School of Rock email account and license to our single sign-on platform is provided at a pass-through cost of $18.75 per month per account. Additionally, we recommend (but do not currently require) that you use our approved vendor's Business Intelligence platform. If you choose to do so, you will pay us a pass-through cost of $10 per month, per account. To provide for inevitable but unpredictable changes to technological needs and opportunities, we have the right to establish reasonable new standards for the implementation of technology in the System, and you must abide by them. (Franchise Agreement, Section 8.4.)

In addition, School of Rock, LLC has developed a proprietary mobile device and desktop application called the School of Rock Method App (the "Method App") that is used in the operations of the School to aid in the delivery and execution of our curriculum. School of Rock, LLC has negotiated agreements with application developers and copyright owners to include a library of copyrighted music notation to be contained within the Method App and be accessed by curriculum-eligible students and School of Rock staff, as defined in the Manuals. To cover the cost of these agreements, you must pay School of Rock, LLC a Method App fee of $5.40 per month for each curriculum-eligible student in your School.

We may also require you to provide live streaming of Live Performances, on social media or video platforms, as a complement to traditional performances produced in music venues in front of attending audiences. If you do not have the necessary equipment to provide live streaming, you will need to purchase a current-model laptop or desktop computer, a mixing board, an Ethernet cable of suitable length, a 2x2 audio interface, and a webcam or other suitable camera (for basic live streaming, the camera on a smartphone or tablet is often adequate). The estimated cost of purchasing this equipment is $1,000 to $2,000. Live streaming software will also be needed. Free software options are available on the market, but our recommended vendor, StreamYard, currently offers a basic annual subscription plan for $20/month that provides customizable design elements and the ability to download live streams for later use, such as encore broadcasts or production of sync song videos. If you choose to purchase this plan from StreamYard, you will pay the cost directly to the vendor.

As the technology and market evolve, we will continue to evaluate the application of live streaming and remote learning within the System and may revise our policies and standards regarding its use by franchisees. Any revisions to those policies and standards will be described in the Manuals.

Site Selection

Development Agreement

Under the Development Agreement, before your acquisition by lease or purchase of any site for a School of Rock business, you must submit to us, in the form specified by us, a description of the proposed

site and such information or materials as we may reasonably require, including a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the proposed site. We will endeavor to notify you of our approval or rejection of the site, in our sole discretion, within 30 days after receipt of such information and materials from you. No proposed site will be deemed approved unless it has been expressly approved in writing by us. (Development Agreement, Section 3.2.)

Franchise Agreement

You must operate the School only at the location approved by us ("Approved Location"). If you have an Approved Location at the time you sign the Franchise Agreement, you must begin operation of the School within 150 days after the date of the Franchise Agreement. If you do not have an Approved Location when you sign the Franchise Agreement, you must begin operation of the School within 270 days after the date of the Franchise Agreement. (Franchise Agreement, Section 5.3.)

If you do not have an Approved Location when you sign the Franchise Agreement, you must obtain our approval of a proposed site within 60 days of the date of the Franchise Agreement. (Franchise Agreement, Section 5.1.) You must sign a lease or otherwise acquire a site for the Approved Location within 120 days after signing the Franchise Agreement. We have the right to approve the terms of any lease or sublease for the Approved Location, and you must provide a copy of your executed lease to us. (Franchise Agreement, Section 5.2.) When we review a proposed site, we will consider such factors as zoning and approval from appropriate agencies, noise restrictions, size, layout, and lease terms.

The typical length of time between signing the Franchise Agreement and opening a School of Rock business is 6 to 9 months. The factors that affect this time are your ability to obtain a location of approximately 2,500 square feet of interior space with adequate parking; financing; building permits; approvals required under zoning and local ordinances; your ability to complete the initial required training course to our satisfaction; delayed construction or installation of equipment, fixtures, and signage; delays by the leaseholder in delivering the property; delays caused by weather and natural disasters; and unforeseen delays in the bid process. If we and you cannot agree on a proposed site within 120 days of your signing the Franchise Agreement, then your School will not be opened, your Franchise Agreement may be terminated, and you will forfeit your initial franchise fee.

Manuals

You must operate the School in accordance with the standards, methods, policies, and procedures specified in the Manuals that we make available to you through a password-protected website. Currently, our "Manuals" include our Operations Manual, Music Manual, Remote Management Guide, School of Rock Remote - Instructor at Home Manual, and our program-specific curriculum documents. We may revise the contents of the Manuals, and you must comply with each new or changed standard. You must ensure that your copy of the Manuals is kept current at all times. (Franchise Agreement, Section 9.) The Manuals contain 410 pages in total, and the number of pages in each Manual and the number of pages devoted to each topic are reflected in the Table of Contents for the Manuals, attached to this Disclosure Document as Exhibit C.

Training Programs

Our initial training program for franchisees is described in the Manuals (the "Initial Training Program") and consists of two components: the management training curriculum ("Management Training Curriculum") and the Music Director training curriculum ("Music Director Training Curriculum"). Each of these components utilizes a blended learning approach, incorporating instructor-led training, self-paced training and homework, and asynchronous, online group learning and collaboration.

Prior to opening your School, you (or, if you are a legal entity, one or more of your owners) along with your designated personnel must attend and complete the Initial Training Program to our satisfaction. For example, your designated full-time manager of operations ("General Manager") must attend and complete the Management Training Curriculum; and your Music Director (or an appropriate designee) must attend and complete the Music Director Training Curriculum. To ensure the protection of our confidential information, you must notify us in advance of all individuals that will be participating in the Initial Training Program and ensure that each such individual has completed a background check and agreed to confidentiality and non-competition covenants in advance of their participation. (Franchise Agreement, Section 6.1.)

The Management Training Curriculum will require 1-2 hours per day of training time, over the course of 5 weeks. We expect that you and your General Manager will attend the first 4 weeks of this training, which will be provided virtually, via teleconference or the Internet ("Remote Delivery"). Week 5 of the Management Training Curriculum will take place in-person and will likely be provided at our designated company-owned School of Rock business ("Training School") in Glen Ellyn, Illinois. For that week 5, only you are required to attend. The Music Director Training Curriculum will also require 1-2 hours per day of training time, but over the course of just 4 weeks. We expect that you and your Music Director (or an appropriate designee) will attend all 4 weeks of the Music Director Training Curriculum, which will be provided entirely via Remote Delivery.

For each component of the Initial Training Program, we will provide instructors and training materials at no charge for your attendance (or, if you are a legal entity, for the attendance of up to three of your owners). For the attendance of your General Manager and your Music Director (or an appropriate designee), we reserve the right to charge a reasonable fee. You will be responsible for any and all other expenses incurred by you, your owners (if you are a legal entity), and your employees in connection with attending all training programs, including the costs of transportation, lodging, meals, and wages. (Franchise Agreement, Section 6.4.)

Typically, we begin a new session of the Initial Training Program each month, but we may offer it more or less frequently depending on our need to train new franchisees. The Initial Training Program will cover a variety of relevant subjects, as described in the tables below. The subjects listed in the tables may or may not be presented consecutively, in our sole discretion. Instructional materials will consist of the Manuals, print material, and other information to be distributed; and all training will be conducted by, or under the supervision of, Sam Dresser, our Chief Innovation Officer, and other directors of field operations, general managers, music directors, and senior faculty designated by us. Mr. Dresser has been with School of Rock since January 2013. Prior to joining us, he was a professional musician in the Chicago area, and a manager and trainer of technical support teams for Apple.

INITIAL TRAINING PROGRAM

Management Training Curriculum

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	TRAINING LOCATION
SoR History and Music Programs Training	6	4	Remote Delivery
Sales Training	3	2	Remote Delivery
Customer Service	1	1	Remote Delivery

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	TRAINING LOCATION
School Administration	5	3	Remote Delivery
School Observation	0	1	Remote Delivery
Local Marketing	1	1	Remote Delivery
Information Technology Systems	0	4	Remote Delivery
Franchise Management (week 5)	16	4	Training School (Glen Ellyn, IL)
Total Hours	**32**	**20**	

Music Director Training Curriculum

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	TRAINING LOCATION
SoR Method and Programs	6	8	Remote Delivery
Casting and Rehearsal Management	3	8	Remote Delivery
School Administration	2	5.5	Remote Delivery
Customer Service	1.5	6	Remote Delivery
Total Hours	**12.5**	**27.5**	

Additional Training

Any persons you subsequently employ in the position of General Manager or Music Director must attend and complete the Initial Training Program, to our satisfaction, within 3 months of their date of hire. (Franchise Agreement, Section 6.2.)

You (or your owner(s)), your General Manager, your Music Director, and other appropriate personnel, may attend such additional courses, seminars, and other training programs as we may specify periodically. You may have to pay a reasonable fee for these programs. (Franchise Agreement, Section 6.3.)

Item 12

TERRITORY

Franchise Agreement

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

You will be granted a territory, which will be defined in your Franchise Agreement (the "Territory"). Although this Territory is not exclusive, during the term of the Franchise Agreement, we will

not establish or operate, or license any other person to establish or operate, a School of Rock business under the System and the Proprietary Marks at any location within your Territory.

You must operate the School only at a location approved by us (the "Approved Location"). You must open the School within 270 days after signing the agreement. You may only relocate the School to a location within your Territory (as described below) which has been approved by us in writing. We have the right, in our sole discretion, to withhold approval of any proposed relocation.

The size of your Territory could vary depending on the population density of the area surrounding the Approved Location. For example, your Territory could vary in size from a certain number of city blocks in an urban location to a township in a more suburban area. We do not guarantee a minimum size for your Territory. We cannot modify your territorial rights during the term of the Franchise Agreement, but we can modify your Territory upon renewal. Your territorial rights do not depend on the achievement of a certain sales volume, market penetration, or any other contingency.

Your territorial rights are subject to a number of limitations. Regardless of either proximity to your Territory or your School, or any actual or threatened impact on sales of your School, we retain the right, among others, to: (a) use the Proprietary Marks and System in connection with establishing and operating School of Rock businesses at any location outside the Territory; (b) use the Proprietary Marks or other marks in connection with selling or distributing any goods (including branded merchandise) or services anywhere in the world (including within the Territory), whether or not you also offer them, through channels of distribution other than a School of Rock business, including, for example, other permanent or temporary retail locations, kiosks, catalogs, mail order, or the Internet or other electronic means; (c) acquire, establish or operate, without using the Proprietary Marks, any business of any kind at any location anywhere in the world (including within the Territory); (d) use the Proprietary Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Territory); (e) use the Proprietary Marks to perform, organize, sponsor, host or support a live performance anywhere in the world (including within the Territory); (f) enter into arrangements with international, national, or regional, franchised or non-franchised chains of day care centers, pre-schools, or other independent facilities or similar parties ("National Accounts") to permit them to offer and sell the Little Wing™ Program, within or outside the Territory, without any compensation to you; provided, however, that if we enter into any agreement with a National Account to provide products or services under the Little Wing™ Program at one or more day care centers, pre-schools, or other independent facilities in your Territory, and you have chosen to offer the Little Wing™ Program in your Territory, then we reserve the right to require you to offer, and you agree to offer, the Little Wing™ Program at such facilities on the same terms and conditions (including price terms) as we require, based on our agreement with such National Account; and (g) offer, or allow others to offer, the Little Wing™ Program in your Territory if you, for any reason, are not then-currently doing so.

Any Live Performance that is performed, organized, sponsored, hosted or supported by you under the System or Proprietary Marks must take place within the Territory. If we consent to a Live Performance outside the Territory, you must comply with any restrictions we impose, including your sharing revenue with other franchisees whose School of Rock business is located near the Live Performance.

You may not establish more than one School of Rock business in your Territory without entering into a separate Franchise Agreement. We do not grant under this Disclosure Document any option, right of first refusal, or similar right to acquire additional franchises other than as described above in this Item 12 under "Development Agreement."

You must offer and sell products only from the School and only in accordance with the requirements of the Franchise Agreement and the procedures set forth in the Manuals. You must offer and

sell approved products and services only from the Approved Location, except as authorized by us in writing, and only in accordance with the requirements of the Franchise Agreement and the procedures set forth in the Manuals. You must not offer or sell products or services through any other means or locations. You must only offer or sell products to retail customers for their use and consumption and not for resale.

We and our affiliates may have used other channels of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within any franchisee's territory using the Proprietary Marks or marks other than the Proprietary Marks, and we reserve the right to do so at any time. We are not required to compensate you if we solicit or accept orders from inside your Territory. In addition, we may, from time to time, allow others to provide the Little Wing™ Program at day care centers, pre-schools, or other independent facilities in your Territory without any compensation to you.

You are not restricted from soliciting or accepting orders from consumers outside of your Territory. However, you may not make sales within or outside of your Territory using other channels of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing. In addition, you are required to concentrate your marketing efforts within your Territory and are prohibited from directing your marketing efforts toward the territory of another School of Rock franchisee.

Neither we nor an affiliate of ours currently operate, franchise, or have present plans to operate or franchise a business under a different trademark that sells goods and services similar to those being offered at your School. However, we have the right, in our sole discretion, to begin operating or franchising such a business in your Territory at any time.

Development Agreement

The Development Agreement assigns you an exclusive Development Area within which you must develop a specified number of School of Rock businesses under a Development Schedule. Each School of Rock business developed under the Development Agreement must be located in the Development Area. The Development Area and the Development Schedule will be identified in an exhibit to the Development Agreement. We must approve the site for each School of Rock business you propose to develop in the Development Area before you sign a lease for the site.

Except as described in the paragraph below, the Development Agreement prohibits us from establishing or operating, or licensing anyone other than you to establish or operate, a School of Rock business under the System and Proprietary Marks at any location in the Development Area during the term of the Development Agreement. However, regardless of either proximity to the Development Area or any School of Rock business, or any actual or threatened impact on sales of any School of Rock business, we retain the right, among others, to: (a) use the Proprietary Marks and System in connection with establishing and operating School of Rock businesses at any location outside the Development Area; (b) use the Proprietary Marks or other marks in connection with selling or distributing any goods (including branded merchandise) or services anywhere in the world (including within the Development Area), whether or not you also offer them, through channels of distribution other than a School of Rock business, including, for example, other permanent or temporary retail locations, kiosks, catalogs, mail order, or the Internet or other electronic means; (c) acquire, establish or operate, without using the Proprietary Marks, any business of any kind at any location anywhere in the world (including within the Development Area); (d) use the Proprietary Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Development Area); (e) use the Proprietary Marks to perform, organize, sponsor, host or support a live performance anywhere in the world (including within the Development Area); (f) enter into arrangements with international, national, or regional, franchised or non-franchised chains of day care centers, pre-schools, or other independent facilities or similar parties ("National Accounts") to permit them to offer and sell the Little Wing™ Program, within or outside the

Development Area, without any compensation to you; provided, however, that if we enter into any agreement with a National Account to provide products or services under the Little Wing™ Program at one or more day care centers, pre-schools, or other independent facilities in the Development Area, and you have chosen to offer the Little Wing™ Program in a Territory that includes such facility, then we reserve the right to require you to offer, and you agree to offer, the Little Wing™ Program at such facilities on the same terms and conditions (including price terms) as we require, based on our agreement with such National Account; and (g) offer, or allow others to offer, the Little Wing™ Program anywhere in your Development Area, except as otherwise provided by a Franchise Agreement you have entered into under the Development Agreement. Neither we nor other franchisees will have to compensate you if we or they solicit or accept orders from inside your Development Area.

Unless sooner terminated in accordance with the terms of the Development Agreement, the Development Agreement will expire on the earlier of the last date specified in the Development Schedule or the date when you have open and in operation all of the School of Rock businesses required by the Development Schedule. We may establish or license someone other than you to establish a School of Rock business in the Development Area after your completion of the Development Schedule, subject to the territorial protections provided under the Franchise Agreements you sign during the term of the Development Agreement. If you fail to develop the number of School of Rock businesses in the time-frame established by the Development Schedule, we have the right to terminate the Development Agreement without an opportunity to cure, to terminate or limit the territorial protection granted under the Development Agreement, to reduce the number of School of Rock businesses that you may develop, to terminate the credit granted to you under the Development Agreement, to withhold evaluation or approval of site proposal packages and refuse to approve the opening of any School of Rock business, and to accelerate the Development Schedule.

Item 13

TRADEMARKS

Development Agreement

The Development Agreement does not grant you any right to use or license others to use the Proprietary Marks.

Franchise Agreement

You will be granted the right, and undertake the obligation, under the terms of the Franchise Agreement, to establish and operate a School of Rock business under the Proprietary Marks and the System, including the mark "School of Rock," and other trademarks, trade names, and service marks as we may designate as part of the System.

The following trademarks have been registered on the Principal Register or are the subject of pending applications at the U.S. Patent and Trademark Office ("USPTO"):

Mark	Registration/ Application Number	Registration/Filing Date (Status)
SCHOOL OF ROCK	3963931	Registered May 24, 2011 (renewed April 23, 2021)

Mark	Registration/ Application Number	Registration/Filing Date (Status)
SCHOOL OF ROCK	4328516	Registered April 30, 2013 (renewal filed November 9, 2022)
SCHOOL OF ROCK	4368744	Registered July 16, 2013 (renewal filed March 13, 2023)
SCHOOL OF ROCK	6616271	Registered January 11, 2022
SCHOOL OF ROCK MUSIC FESTIVAL	3703875	Registered November 3, 2009 (renewed April 1, 2019)
SCHOOL OF ROCK ROOKIES	5112360	Registered January 3, 2017 (maintained July 25, 2022)
SONGFIRST	5137924	Registered February 7, 2017 (maintenance declaration filed November 29, 2022)
SCHOOL OF ROCK REMOTE	6312065	Registered April 6, 2021
SCHOOL OF ROCK MASTER CLASS	Application No. 88848823	Filed March 26, 2020 (pending)
SCHOOL OF ROCK ONLINE	Application No. 90216675	Filed September 28, 2020 (pending)
SCHOOL OF ROCK METHOD	Application No. 90482885	Filed January 22, 2021 (pending)
METHOD	Application No. 90482897	Filed January 22, 2021 (pending)
METHOD ENGINE	Application No. 90520969	Filed February 9, 2021 (pending)
SCHOOL OF ROCK COLLECTION	Application No. 90520952	Filed February 9, 2021 (pending)
PERFORMANCE BASED MUSIC EDUCATION	Application No. 90520938	Filed February 9, 2021 (pending)
ROCK 101	Application No. 90677093	Filed April 28, 2021 (pending)
GEARSELECT	Application No. 90901469	Filed August 25, 2021 (pending)

Mark	Registration/ Application Number	Registration/Filing Date (Status)
FRONTWOMEN	Application No. 97024151	Filed September 13, 2021 (pending)
SCHOOL OF ROCK & Design	4158196	Registered June 12, 2012 (renewed June 28, 2022)
SCHOOL OF ROCK & Design	4172063	Registered July 10, 2012 (renewed June 25, 2022)
SCHOOL OF ROCK & Design	4218179	Registered October 2, 2012 (renewed June 28, 2022)
SCHOOL OF ROCK & Design	4218180	Registered October 2, 2012 (renewed August 19, 2022)
SCHOOL OF ROCK & Design	6220042	Registered December 15, 2020
SCHOOL OF ROCK & Design	Application No. 90565638	Filed March 8, 2021 (pending publication)
SCHOOL OF ROCK & Design	6952737	Registered January 17, 2023
SCHOOL OF ROCK GEARSELECT & design	Application No. 90901472	Filed August 25, 2021 (pending)
	4365497	Registered July 9, 2013 (renewal filed February 1, 2023)

Mark	Registration/ Application Number	Registration/Filing Date (Status)
SCHOOL OF ROCK ROOKIES & Design	5112361	Registered January 3, 2017 (maintained July 18, 2022)
LITTLE WING	4478572	Registered February 4, 2014 (maintained September 30, 2020)
LITTLE WING	4478573	Registered February 4, 2014 (maintained September 30, 2020)
LITTLE WING	4488981	Registered February 25, 2014 (maintained September 30, 2020)
LITTLE WING	4492633	Registered March 4, 2014 (maintained September 30, 2020)
LITTLE WING & Design	4478602	Registered February 4, 2014 (maintained October 1, 2020)
LITTLE WING & Design	4478603	Registered February 4, 2014 (maintained October 1, 2020)
LITTLE WING & Design	4489001	Registered February 25, 2014 (maintained September 30, 2020)
LITTLE WING & Design	4492634	Registered March 4, 2014 (maintained August 25, 2020)

School of Rock, LLC ("Trademark Owner") owns the Proprietary Marks, including the marks listed in the table above, and has licensed to us the right to use the Proprietary Marks, and to sublicense them to our franchisees, under a license agreement between the Trademark Owner and us, dated May 2, 2017. The

term of the license agreement is indefinite, but either we or the Trademark Owner may terminate the license agreement with or without cause on 30 days' written notice. In the event of termination, the Trademark Owner will assume all of our rights and obligations regarding the Proprietary Marks under any franchise agreements then in effect. Except for the license from the Trademark Owner to us with respect to the Proprietary Marks, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to the franchise.

Where the Proprietary Marks remain in use with the associated goods and/or services in the respective registration, all required affidavits pertaining to these registrations have been filed or will be filed by the deadlines for active Proprietary Marks above. The Trademark Owner reserves the right in its sole discretion to cease use of any trademark, in which case required affidavits would not be filed with the Proprietary Marks. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending infringement, opposition, or cancellation proceedings involving the Proprietary Marks. There is no pending material federal or state court litigation regarding our use or ownership rights in any of the Proprietary Marks.

The Trademark Owner has filed trademark applications for all of the marks designated as "Pending" in the chart above (collectively, the "Pending Marks"). However, the Trademark Owner does not yet have federal registrations for the Pending Marks. Therefore, the Pending Marks do not have as many legal benefits and rights as federally registered trademarks. If our, or the Trademark Owner's, right to use the Pending Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

The Trademark Owner has entered into a Co-Existence Agreement with Experience Hendrix, LLC ("Hendrix Co-Existence Agreement") dated January 31, 2013 relating to each parties' registration of marks incorporating the term LITTLE WING. Under the Hendrix Co-Existence Agreement, the Trademark Owner has agreed not to use any marks incorporating the term LITTLE WING in connection with the legacy, music, name, image, likeness or references of or to Jimi Hendrix, Experience Hendrix, LLC, or the Jimi Hendrix family, without the consent of Experience Hendrix, LLC, and agreed not to contest Experience Hendrix, LLC's registration of marks incorporating the term LITTLE WING in connection with the ownership and use of music and marks from the estate of Jimi Hendrix. In addition, both parties agree to take any necessary steps to ensure that there is no confusion between the LITTLE WING marks registered by the Trademark Owner and the LITTLE WING marks registered by Experience Hendrix, LLC. We do not expect these limitations to materially affect your Little Wing™ program. The Hendrix Co-Existence Agreement does not expire, and it may only be amended in a writing signed by all of the parties.

On July 11, 2014, the Trademark Owner entered into a Co-Existence Agreement (the "Paramount Co-Existence Agreement") with Paramount Pictures Corporation ("PPC") relating to various "School of Rock" marks (registration numbers 3963931, 4172063, and 4158196, 5112360, 5112361) and PPC's then-current application to register a "School of Rock" mark with the USPTO (this mark became registered in 2019, with Reg. No. 5707016). Under the Paramount Co-Existence Agreement, each party acknowledged that the other's "School of Rock" registrations related to different channels of trade, and that the parties could concurrently use and register their marks without confusion if they used their marks in their respective channels of trade. These channels of trade related: (1) for PPC, to the 2003 film "School of Rock," the musical "School of Rock" and derivative products; and (2) for the Trademark Owner and its franchisees, to music education services, concerts, and tours. On November 7, 2018, the Trademark Owner subsequently entered into an Affirmation of Consent and Co-existence with PPC whereby the parties re-affirmed their agreement in the Paramount Co-Existence Agreement: (a) that there is no overlap between their respective goods and/or services such that the parties can co-exist without confusing the public; and (b) so long as the terms of the Paramount Co-Existence Agreement are met, each party will not: (i) challenge, oppose, question, or interfere with the other party's use or registration of the marks, and (ii) oppose, seek to cancel,

or challenge any existing registration owned by the other party or any future application filed by the other party for the marks. We do not expect these limitations to materially affect your use of the Proprietary Marks. The Paramount Co-Existence Agreement does not expire, and it may only be amended in a writing signed by all of the parties.

We are aware of a number of parties ("Prior Users") that may have or assert superior, prior common law rights in certain limited geographic areas based on their prior use of the term "School of Rock," either as part of their name or separately. There may be additional Prior Users of whom we are not aware. We are aware of Prior Users operating in the following areas: San Diego, California; Orlando, Florida; Lilburn, Grayson, Suwanee/Sugar Hill, Duluth, and Lawrenceville, Georgia; Ames and Ankeny, Iowa; Louisville, Kentucky; Detroit/Royal Oak, Michigan; St. Cloud, Minnesota; Montville, New Jersey; Rockland and Staten Island, New York; Raleigh and Wake Forest, North Carolina; and Richmond, Virginia. To our knowledge, none of these Prior Users has a federal trademark registration for "School of Rock" or any mark using "School of Rock," except for The Detroit School of Rock LLC, which owns two federal registrations for "The Detroit School of Rock and Pop Music" and "The Detroit School of Rock and Pop Music (& Design)" (for "educational services, namely, conducting programs in the field of music") and these registrations disclaim exclusive rights in the words "Detroit" and "School of Rock and Pop Music." Accordingly, any rights such Prior Users have to the wording "School of Rock" are presumed to be limited to common law rights in the geographic trade areas surrounding their businesses using such marks. As the Trademark Owner has federal trademark registrations and has filed affidavits of incontestability with the USPTO for at least seven of the "School of Rock" marks listed above (registration numbers 3963931, 4218179, 4172063, 4218180, and 4158196, 4328516, 4368744), the Trademark Owner, we, and our franchisees have the presumptively valid and incontestable right to use those "School of Rock" marks in connection with the goods and services set forth in these registrations, except in the Prior Users' trade areas surrounding their businesses. As the Trademark Owner has not filed affidavits of incontestability for the other applications/registrations incorporating the mark "School of Rock," it is possible that any Prior User's prior use of the term "School of Rock" could materially affect your use of such marks in the trade area surrounding the Prior User's businesses, if such Prior User were, for example, able to show that it has acquired trademark rights in the term. However, we note that we have had franchisees using our marks and operating in many of the geographic areas near many of the Prior Users, and we are unaware of any claims from Prior Users as to our franchisees' use of any of the "School of Rock" marks. We have not taken any legal action with respect to any of these Prior Users with respect to these matters. If you wish to acquire School of Rock franchise rights in any of the areas described in this paragraph above, please contact us so we can discuss whether you require any further information on any individual Prior User.

Except as described in this Item 13, we are not otherwise aware of any infringing uses that could materially affect your use or ownership rights in the Proprietary Marks or our rights in the Proprietary Marks.

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

must sign all documents and do all acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that the litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs.

We reserve the right, at our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks for use in identifying the System and the businesses operating under these marks. You must comply with any changes, revisions and/or substitutions at your sole cost and expense. We will provide to you, at no cost, templates for new stationery and advertising materials.

Item 14

PATENTS, COPYRIGHTS AND OTHER PROPRIETARY INFORMATION

Patents and Copyrights

Our affiliate School of Rock, LLC owns a utility patent for the "Method Engine" (U.S. Patent No. 10,891,872, "Method and apparatus of music education," issued January 12, 2021), which you will use in your School as an aid in delivering the curriculum and preparing students for live performance. In addition to its other functionality, the Method Engine allows you to compile and search a database of songs suitable for a live show with a desired theme, and having instrumentations, musical styles, difficulty levels, and technique requirements appropriate for each member of an ensemble of students, with each student studying a different instrument, learning different musical techniques, and playing at different proficiency levels.

School of Rock, LLC also entered into an agreement with Accelerando LLC, dated April 23, 2018, whereby Accelerando LLC designed and developed a musical curriculum consisting of a series of method books for use by School of Rock businesses. Since these materials were developed as a work for hire, School of Rock, LLC asserts copyright ownership over the method books and their contents.

Other than the above, neither we nor our affiliates own any patents or registered copyrights that are material to the franchise.

You may be granted a limited license regarding copyrighted music owned by third parties in the operations of your School (the "Copyrighted Materials"). We or our affiliates have negotiated and are negotiating license agreements on behalf of our franchisees for certain rights to perform certain Copyrighted Materials (the "Licensed Materials") in the operation of School of Rock businesses. For example, School of Rock, LLC has entered into the agreements described below to permit students at franchised Schools to use and perform copyrighted musical compositions. A portion of the PRO Licensing Fee described in Item 6 is used to pay for these licenses.

School of Rock, LLC has entered into a license agreement with the American Society of Composers, Authors, and Publishers ("ASCAP"), dated June 12, 2012 and renewing annually, which allows the company-owned and franchised Schools to perform copyrighted musical compositions written or published by ASCAP members, at the Schools or in student recitals. The agreement may be terminated by either party at the end of each annual term, and by ASCAP for our breach.

School of Rock, LLC has entered into a license agreement with SESAC, LLC ("SESAC"), dated July 1, 2012 and renewing annually, which allows the company-owned and franchised Schools to perform copyrighted musical compositions, the performance rights to which are owned or controlled by SESAC, at

the Schools or in student performances. The agreement may be terminated by either party at the end of each annual term, and by SESAC for our breach.

School of Rock, LLC has entered into a license agreement with Broadcast Music, Inc. ("BMI"), commencing July 1, 2014 and renewing annually, which allows the company-owned and franchised Schools to perform copyrighted musical compositions, the performance rights to which are owned or controlled by BMI, at the Schools or in student performances. The agreement may be terminated by either party at the end of each annual term, by us if we stop offering public performances of music licensed by BMI upon 60 days' notice to BMI, and by BMI for our breach.

School of Rock, LLC has entered into a three-year digital content partnership agreement with Hal Leonard, dated January 18, 2018 and renewing annually thereafter, which allows the company-owned and franchised Schools and their students to obtain and use digital print music charts to which Hal Leonard has rights. The agreement may be terminated by either party at the end of each term on 90 days' written notice. In addition, School of Rock, LLC has entered into a separate three-year digital content partnership with Hal Leonard, dated February 26, 2019 and renewing at a rate to be determined prior to termination, which allows the company-owned and franchised Schools and their students to access digital music charts within a digital interface. The agreement may not be terminated unless a breach is a material breach of a material obligation, for which a 30-day written notice must be provided to remedy such breach or terminate.

School of Rock, LLC has entered into a one-year general license agreement with Global Music Rights ("GMR"), dated January 1, 2017 and renewing annually thereafter, which allows the company-owned and franchised Schools to perform copyrighted musical compositions, the performance rights to which are owned or controlled by GMR, at the Schools or in student performances. The agreement may be terminated by either party at the end of each annual term.

Except for the license agreements described above, there are no agreements currently in effect that limit the use of the Licensed Materials in any manner material to the franchise.

We will communicate to you in the Manuals or otherwise in writing from time to time the details of the licensing arrangements for any Licensed Materials. The license agreements will not cover all Copyrighted Materials or all potential uses of Licensed Materials. You are responsible for operating your School, and requiring your students to play, perform, or otherwise use any Copyrighted Materials in full accordance with the copyrights for the Copyrighted Materials, in full accordance with the terms of the license agreements, and in full compliance with the law.

You must promptly notify us of any claim against you arising from your use of the Licensed Materials. We have the right, but not the obligation, to direct and control any administrative proceeding or litigation involving the Licensed Materials. If we determine that you have not used the Licensed Materials in accordance with the copyrights and any license agreements we or our affiliates have negotiated, you must indemnify us for any costs and expenses (including legal fees) that we incur. We are not required to indemnify you for any claims arising out of your use of any Copyrighted Materials.

Confidential Operating Manuals

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your School in accordance with the standards, methods, policies, and procedures specified in the Manuals. Upon your completion of our Initial Training Program to our satisfaction, we will loan you one copy of the Manuals, or make it available to you through a password protected website, for the term of your Franchise Agreement.

You must treat the Manuals, any other Manuals created for or approved for use in the operation of the School, and the information contained in the Manuals, as confidential, and you must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any unauthorized person. The Manuals will remain our sole property and must be kept in a secure place at the School.

We may revise the contents of the Manuals at any time, and you must comply with each new or changed standard. You must ensure that the Manuals is kept current at all times. In the event of any dispute as to the contents of the Manuals, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

You must not, during the term of the Franchise Agreement or after its term, communicate, divulge, or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised under the Franchise Agreement, including, the Manuals, curricula, customer lists and information, and teaching methods and materials, including both paper and electronic spreadsheets, or advertising which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of the Franchise Agreement. You may divulge confidential information only to those of your employees who must have access to it in order to operate the School. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

During the term of your Franchise Agreement, you (or, if you are a corporation, partnership or limited liability company, at least one of your owners), or a General Manager designated by you, must devote full time and best efforts to the management and operation of the School. This individual must take an active role in the operation of the School and be on the premises operating the School during peak hours of operation. You and, as we may require, your General Manager and Music Director (or an appropriate designee), must all attend and successfully complete our initial training, as described in Item 11.

The School must at all times be under the direct, on-premises supervision of an individual who has satisfactorily completed the Initial Training Program required under the Franchise Agreement or as otherwise specified by us in writing. You must maintain a trained staff, including, as we may require, a Music Director (or appropriate designee) who has satisfactorily completed the Initial Training Program. You must take those steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; and meet the minimum standards, including standards for personal attire, that we may establish periodically in the Manuals. You must conduct a background check of all employees before hiring, at your cost, using Universal Background Screening or other vendor we have approved, using our prescribed standards set forth in the Manuals or otherwise in writing from time to time.

You and your employees must handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from our name and goodwill. You will be solely responsible

for all employment decisions and functions of the School, including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

If you are a corporation, partnership, limited liability company or other legal entity, then all of your owners must sign a personal guarantee in the form attached as Exhibit E-1 to both the Franchise Agreement and Development Agreement, and their spouses must sign a personal guarantee in the form attached as Exhibit E-2 to both those agreements. Under the owners' guarantee, your owners are made jointly and severally liable for all obligations of the franchisee. Under the spouses' guarantee, your owners' spouses are made jointly and severally liable for the financial obligations of the franchisee. Both forms of guarantee bind the signatory to the confidentiality and non-competition provisions of the Franchise Agreement or Development Agreement, as appropriate.

The immediate family members of your owners will also be bound by the non-competition provisions in the Franchise Agreement and Development Agreement. In addition, at our request, your Music Director, General Manager, and other employees having access to any of our Confidential Information must sign a confidentiality and non-competition agreement in the form attached as Exhibit D to both the Franchise Agreement and Development Agreement as a condition of their employment or hire. Non-management level employees may be permitted to sign a simple confidentiality and non-solicitation agreement in a form that we provide or approve in lieu of the confidentiality and non-competition agreement.

As security for the payment of all amounts owed by you to us or our affiliates under the Franchise Agreement, and performance of all other obligations to be performed by you, you must grant to us a security interest in all of the assets of your School of Rock business, including all equipment, furniture, fixtures, and building and road signs used in the operation of the School, as well as all proceeds from those assets.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must (1) sell or offer for sale only those products, merchandise, and services as we have expressly approved for sale in writing; (2) sell or offer for sale all types of products, merchandise, and services we specify; (3) refrain from any deviation from our standards and specifications without our prior written consent; and (4) discontinue selling and offering for sale any products, merchandise, and services which we may, in our discretion, disapprove in writing at any time. You must sell all products and merchandise at retail and not sell these products and merchandise at wholesale or for re-sale. All products and merchandise sold or offered for sale at the School must meet our then-current standards and specifications, as established in the Manuals or otherwise in writing. See Item 8. The Franchise Agreement does not limit our right to make changes in the types of authorized products, merchandise, and services.

We have the right to establish minimum and maximum prices for the products and services you offer and sell. You must strictly adhere to the prices we establish. We retain the right to modify the prices from time-to-time in our reasonable discretion. You must comply with all of our policies regarding advertising and promotion, including the use and acceptance of coupons. We do not limit your access to customers.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Franchise Agreement

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the Franchise Term	Section 2.1	10 years from the date of the Franchise Agreement.
b. Renewal or Extension of the Term	Section 2.2	If you satisfy all of the requirements of the Franchise Agreement, you can acquire a total of three successor franchises for consecutive terms of 5 years each.
c. Requirements for Franchisee to Renew or Extend	Section 2.2	Give timely notice; renovate physical premises; not be in default (or have been in default); have satisfied all monetary obligations; have right to possess premises; sign then-current franchise agreement, which may contain materially different terms and conditions than your initial Franchise Agreement; sign a general release; comply with training requirements; pay a renewal fee of one-third of the then-current initial franchise fee; be current on all obligations to your landlord, suppliers, and others with whom you do business.
d. Termination by Franchisee	Not Applicable	Not Applicable (subject to state law)
e. Termination by Franchisor Without Cause	Not Applicable	Not Applicable
f. Termination by Franchisor With Cause	Section 15	We have the right to terminate with cause.
g. "Cause" Defined – Curable Defaults	Section 15.3	You have 30 days to cure: non-compliance with the Franchise Agreement (except those defaults listed in (h) below); non-payment of monies; non-submission of reports; failure to maintain prescribed specifications, standards, or procedures; failure to obtain our prior written approval or consent; actions inconsistent with or contrary to your lease; failure to maintain product and service quality; using confusingly similar names or marks; failure to comply with all applicable laws, rules, and regulations; and others.
h. "Cause" Defined – Non-Curable Defaults	Sections 15.1, 15.2	Non-curable defaults include: insolvency, bankruptcy, dissolution, foreclosure, or other similar filings or proceedings; final or unsatisfied judgments; failure to locate and acquire a site or to open for business; failure to complete training; abandonment; loss of premises; conviction of a crime; violation of our codes of conduct;

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		false statements in your application materials; health or safety violations; unapproved transfers; approved transfer not timely effected; failure to comply with covenants; unauthorized disclosure of confidential information; maintain false books or submit false reports; trademark misuse; refusal to permit inspections; failure to timely cure a default; repeated defaults even if cured; any default under any agreement between you and us that would permit us to terminate that agreement; and others.
i. Franchisee's Obligations on Termination/Non-Renewal	Section 16	Obligations include: cease operations of the School; de-identification; assignment of right to possess premises; payment of amounts due to us and our affiliates; return the Manuals and all other confidential information; sell to us products, furnishings, equipment, signs, fixtures, stationery, forms, packaging, and advertising materials at our option; compliance with post-termination non-competition agreement; payment of liquidated damages (for early closing, etc.); and others.
j. Assignment of Contract by Franchisor	Section 14.1	No restriction on our right to transfer or assign the Franchise Agreement.
k. "Transfer" by Franchisee – Defined	Section 14.2	Includes transfer of Franchise Agreement, any direct or indirect interest in the Franchisee (if a corporation or partnership), or all or substantially all of the assets of the School.
l. Franchisor Approval of Transfer by Franchisee	Sections 14.2, 14.3	All transfers require our prior written consent, which will not be unreasonably withheld, and we have a right of first refusal to acquire any proposed transfer of interest.
m. Conditions for Franchisor Approval of Transfer	Section 14.3	Conditions of approval include: timely written notification to us of the proposed transfer; our prior written consent; your monetary and other obligations have been satisfied; you are not in default of any provision of any agreement with us or our affiliates; transferor signs a general release; transferee enters into a written assignment and guaranty, if applicable; transferee meets our qualifications; transferee signs our then-current form of franchise agreement; transferee renovates the School as we may reasonably require, you remain liable for all of the obligations to us that arose before the transfer and which extend beyond the term of the Franchise Agreement, and you sign all instruments which we reasonably request to evidence this liability; transferee completes all required training programs; you pay a transfer fee; transfer would not lead to an impermissible concentration of Schools in a particular franchisee or owner that may, in our business judgment, be detrimental to the School of Rock franchise system; that you are not charging a premium on unopened units; and others.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Section 14.5	We have a right of first refusal for any proposed transfer of interest.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
o. Franchisor's Option to Purchase Franchisee's Business	Sections 16.4, 16.9	Upon termination or expiration of your Franchise Agreement, we have the option, but not the obligation, to purchase your equipment, signs, and fixtures at fair market value or at your depreciated book value, whichever is less; we also have the option to have you assign your lease to us.
p. Death or Disability of Franchisee	Section 14.6	Upon the death or mental incapacity of any person holding any interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the School, an approved transfer must occur within 6 months.
q. Non-Competition Covenants During the Term of the Franchise	Section 17.2	During the term of the Franchise Agreement (and subject to state law), you may not own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in any business that is substantially similar to the School or offers or sells substantially similar services as the School.
r. Non-Competition Covenants After the Franchise Is Terminated or Expires	Section 17.3	For 2 years after termination or expiration of the Franchise Agreement (and subject to state law), you may not own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in any business which (1) is substantially similar to the School or sells substantially similar services as the School, and (2) is located within your Territory, within 10 miles of the Approved Location, or within 10 miles of any business operating under the System and the Proprietary Marks.
s. Modification of the Agreement	Section 24	All amendments, changes, or variances from the Franchise Agreement must be in writing.
t. Integration / Merger Clause	Section 24	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	Sections 26.2	Most disputes and claims relating to the Franchise Agreement will be settled by arbitration under the rules of the American Arbitration Association (subject to state law).
v. Choice of Forum	Sections 26.2, 26.3	Arbitration must be held in Boston, Massachusetts. Any litigation against us must be brought in the U.S. District Court presiding in Boston, Massachusetts, subject to state law.
w. Choice of Law	Section 26.1	All disputes will be governed by the laws of Massachusetts, subject to state law.

Development Agreement

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
a. Length of the Term	Section 4.1	The earlier of (1) the last date specified in the Development Schedule; or (2) the date when you have open and in operation all of the School of Rock businesses required by the Development Schedule.
b. Renewal or Extension of the Term	Not Applicable	Not Applicable
c. Requirements for Franchisee to Renew or Extend	Not Applicable	Not Applicable
d. Termination by Franchisee	Not Applicable	Not Applicable (subject to state law)
e. Termination by Franchisor Without Cause	Not Applicable	Not Applicable
f. Termination by Franchisor With Cause	Section 6	We have the right to terminate with cause.
g. "Cause" Defined – Curable Defaults	Section 6.2	Curable defaults include: failure to promptly provide us with any documents required under the Development Agreement; failure to comply with all federal, state, and local laws, rules, and regulations; and failure to provide us with any records or reports required under the Development Agreement. You will have 30 days to cure these defaults.
h. "Cause" Defined – Non-Curable Defaults	Sections 6.1, 6.3	Non-curable defaults include: insolvency, bankruptcy, dissolution, foreclosure or other similar filings or proceedings; final or unsatisfied judgments; your non-compliance with the Development Agreement, Franchise Agreement or any other agreement with us or our affiliates; transfer or attempted transfer in violation of the Development Agreement; and others.
i. Franchisee's Obligations on Termination/Non-Renewal	Section 6.4	Obligations include: loss of rights granted under the Development Agreement, and others.
j. Assignment of Contract by Franchisor	Section 7.1	No restriction on our right to transfer or assign Development Agreement.
k. "Transfer" by Franchisee – Defined	Section 7.2	Includes transfer of the Development Agreement, any direct or indirect interest in the Developer, or all or substantially all of the assets of the School of Rock businesses developed under the Development Agreement.
l. Franchisor Approval of Transfer by Franchisee	Section 7.2	All transfers require our prior written consent, which will not be unreasonably withheld.

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
m. Conditions for Franchisor Approval of Transfer	Section 7.3	Conditions include: your monetary and other obligations have been satisfied; you are not in default of any material provisions of the Development Agreement; transferee enters into a written assignment assuming to discharge all of your obligations; transferee meets our qualifications; transferee signs a new Development Agreement; each School of Rock business opened under the Development Agreement is in full compliance with the applicable Franchise Agreement; you remain liable for all obligations of your business before the date of transfer; transferor signs a general release; you pay a transfer fee; you first offer to sell that interest to us; transfer would not lead to an impermissible concentration of Schools in a particular franchisee or owner that may, in our business judgment, be detrimental to the School of Rock franchise system; and others.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Section 7.5	We have a right of first refusal for any proposed transfer of interest.
o. Franchisor's Option to Purchase Franchisee's Business	Not Applicable	Not Applicable
p. Death or Disability of Franchisee	Section 7.6	Upon the death or mental incapacity of any person holding any interest in the Development Agreement, in Developer, or in all or substantially all of the assets of the Developer, an approved transfer must occur within 6 months.
q. Non-Competition Covenants During the Term of the Franchise	Section 8.4	During the term of the Development Agreement (and subject to state law), you may not own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business which is substantially similar to a School of Rock business or offers or sells substantially similar services as a School of Rock business.
r. Non-Competition Covenants After the Franchise Is Terminated or Expires	Section 8.5	For 2 years after termination or expiration of the Development Agreement (and subject to state law), you may not own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business which (1) is substantially similar to a School of Rock business or offers or sells substantially similar services as a School of Rock business, and (2) is located within the Development Area, within 10 miles of the Development Area, or within 10 miles of any School of Rock business.
s. Modification of the Agreement	Section 13	All amendments, changes, or variances from the Development Agreement must be in writing.

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
t. Integration / Merger Clause	Section 13	Only the terms of the Development Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Development Agreement may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	Section 14.2	Most disputes and claims relating to the Development Agreement are subject to arbitration (subject to state law).
v. Choice of Forum	Sections 14.2, 14.3	Arbitration must be held in Boston, Massachusetts (or the city closest to our corporate headquarters at the time of filing). Any litigation against us must be brought in the U.S. District Court presiding in Boston, Massachusetts, subject to state law.
w. Choice of Law	Section 14.1	All disputes will be governed by the laws of Massachusetts, subject to state law.

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Some School of Rock outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their franchise business. Notwithstanding the information set forth in this financial performance representation, existing franchisees of ours are your best source of information about franchise operations.

Historical Financial Performance Representations for 2022

Following the definitions presented below, we provide a series of tables containing total sales and student enrollment information for certain sets and subsets of School of Rock businesses that were operating during calendar year 2022. All School of Rock businesses discussed below operate under the name "School of Rock" and conduct a business similar to the type of business that you will operate. "Company-owned" refers to the School of Rock businesses owned and operated by our affiliate, School of Rock, LLC, or its wholly owned subsidiaries.

Definitions

As used in this Item 19, the following definitions apply:

Admin Labor – Admin Labor includes wages, taxes, benefits and other employee expenses paid to employees of the Company-owned School, excluding those expenses that are not directly related to the teaching of the students (which are included in cost of sales) and excluding Management Labor.

Cost of Sales – Cost of Sales is an amount that reflects the direct costs of the Company-owned School to deliver services to customers. It includes but is not limited to the cost of teacher wages, teacher wages' payroll taxes, merchant processing, show productions costs, tour expenses, music supplies, merchandise costs and other program expenses.

Gross Profit – Gross Profit is Total Sales minus Cost of Sales.

IT Expense – IT Expense includes all IT and software costs.

Imputed Royalties – Imputed Royalties reflect the royalty fees that are not actually paid by a Company-owned School, but would be paid to us if the School was a franchised location.

Management Labor – Management Labor includes wages, taxes, and benefits and other employee expenses paid to the general manager employee of the Company-owned School. Management Labor excludes profit sharing expense, as this would not be paid by a franchisee.

Marketing Expense – Marketing Expense includes but is not limited to Brand Fund contributions, local marketing and advertising expenditures.

Net Operating Income – Net Operating Income equals Gross Profit minus Total Expenses and does not include taxes or depreciation.

Operating Expenses – Operating Expenses include the day-to-day costs in conducting the normal business operations for the Company-owned School.

Other Expenses – Other Expenses includes but is not limited to the utilities, insurance, licenses, permits, repairs, professional fees and other additional expenses. Other Expenses does not include royalty fees that you would be required to pay as a franchisee.

Rent – Rent includes the Company-owned School's base rent, extra lease charges, such as common area maintenance (CAM) charges, real estate taxes, deferred rent, and related real estate charges.

Total Expenses – Total Expenses is the total of Admin Labor, IT Expense, Management Labor, Marketing Expense, Rent and Other Expenses.

Total Sales – Total Sales means all revenue generated at, from or in connection with the operation of the School, including from sales (net of discounts) of all products and services conducted at, from or with respect to the School. Total Sales does not include the sale of products or services for which refunds have been made in good faith to customers, the sale of equipment or furnishings used in the operation of the School, or any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority. We include gift certificate, gift card or similar program payments in Total Sales when the gift certificate, gift card, other instrument or applicable credit is redeemed.

Vintage – Vintage refers to the number of months of operation of a School as of the end of the reported year. For example, a School with a vintage of 24 is an early-stage School in its 24th month of operation, while a School with a vintage of 25 is an established school in its 25th month of operation.

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Tables 1 through 8 below present historical performance information for the 44 Company-owned School of Rock businesses that were open and operated as such during the full 12-month period from January 1, 2022 to December 31, 2022[1], and the 190 franchised School of Rock businesses that were open and operated as such throughout that full 12-month period[2] (together, the "**Designated Schools**"). In addition to presenting information regarding all the Designated Schools, the tables below also provide information for the following subsets:

The "**Established Designated Schools**" include only those 172 franchised Designated Schools that were operated as franchised Schools for the full 24-month period between January 1, 2021 and December 31, 2022 and had started at least their 25th month of operation as of December 31, 2022[3], and the 43 Company-owned Designated Schools that were operated by School of Rock, LLC and/or its affiliates for the full 24-month period between January 1, 2021 and December 31, 2022, and had started at least their 25th month of operation as of December 31, 2022.[4]

The "**Established Company Designated Schools**" include only those 43 Company-owned Designated Schools that were operated by School of Rock, LLC and/or its affiliates for the full 24-month period between January 1, 2021 and December 31, 2022, and started at least their 25th month of operation.

[1] There were 45 Company-owned School of Rock businesses in operation at the beginning of 2022. The 44 Company-owned Designated Schools do not include 2 School of Rock businesses sold by us or our affiliates to franchisees in 2022, but do include 1 School of Rock business acquired by us or our affiliates from a franchisee in 2022 because the business was acquired effective January 1, 2022 and was operated as a Company-owned School for the entire 2022 fiscal year.

[2] There were 198 franchised School of Rock businesses in operation at the beginning of 2022. The 190 franchised Designated Schools do not include 4 franchised School of Rock businesses that were open less than 5 days per week, 4 School of Rock businesses acquired by us or our affiliates from franchisees in 2022, and 1 one franchised School of Rock business that closed in 2022. Please note that the franchised Designated Schools do include 1 franchised School of Rock business purchased by a franchisee from us or our affiliates effective January 1, 2022 because it was operated by the franchisee for the entire 2022 fiscal year.

[3] There were 184 franchised School of Rock businesses in operation at the beginning of 2021. The 172 franchised Established Designated Schools do not include 4 franchised School of Rock businesses that were open less than 5 days per week, 4 School of Rock businesses acquired by us or our affiliates from franchisees in 2022, 3 franchised School of Rock businesses that closed in 2021, , and 1 one franchised School of Rock business that closed due to non-renewal in 2022.

[4] There were 47 Company-owned School of Rock businesses in operation at the beginning of 2021. The 43 Company-owned Established Designated Schools do not include 1 School of Rock business sold by us or our affiliates to a franchisee in 2021, 2 School of Rock businesses sold by us or our affiliates to franchisees in 2022, and 1 Company-owned School of Rock business that closed in 2021.

Table 1

Annual Total Sales and Average Student Enrollment (All Designated Schools)

Table 1 below provides the annual Total Sales and average student enrollment information for all Designated Schools in 2022.

Type of Business	Average Annual Total (2022)	Median Annual Total Sales (2022)	Highest Annual Total Sales (2022)	Lowest Annual Total Sales (2022)	Average Student Enrollment as of January 1, 2022	Average Student Enrollment as of December 31, 2022	Percentage Increase in Average Student Enrollment from January 1, 2022 to December 31, 2022
Company-owned	$724,167	$636,907	$1,382,962	$263,291	187	208	11%
Franchised	$623,161	$599,844	$1,932,416	$183,288	170	192	13%

For Table 1, the number of Company-owned Designated Schools that attained or exceeded the average annual Total Sales figure for 2022 was 17 (39%). The number of Company-owned Designated Schools that attained or exceeded the median annual Total Sales figure for 2022 was 22 (50%). The number of franchised Designated Schools that attained or exceeded the average annual Total Sales figure for 2022 was 83 (44%). The number of franchised Designated Schools that attained or exceeded the median annual Total Sales figure for 2022 was 95 (50%).

Table 2

Annual Total Sales and Average Student Enrollment (Established Designated Schools Only)

Table 2 below provides the annual Total Sales and average student enrollment information for all Established Designated Schools in 2022.

Type of Business	Average Annual Total Sales (2022)	Median Annual Total Sales (2022)	Highest Annual Total Sales (2022)	Lowest Annual Total Sales (2022)	Average Student Enrollment as of January 1, 2022	Average Student Enrollment as of December 31, 2022	Percentage Increase in Average Student Enrollment from January 1, 2022 to December 31, 2022
Company-owned	$734,885	$640,462	$1,382,962	$292,320	189	211	12%
Franchised	$643,534	$611,163	$1,932,416	$183,288	178	196	10%

For Table 2, the number of Company-owned Established Designated Schools that attained or exceeded the average annual Total Sales figure for 2022 was 17 (40%). The number of Company-owned Established Designated Schools that attained or exceeded the median annual Total Sales figure for 2022 was 22 (51%). The number of franchised Established Designated Schools that attained or exceeded the average annual Total Sales figure for 2022 was 77 (45%). The number of franchised Established Designated Schools that attained or exceeded the median annual Total Sales figure for 2022 was 86 (50%).

Table 3

2022 Student Enrollment Numbers (All Designated Schools)

Table 3 below provides the average and median student enrollment at each of the Designated Schools as of January 1, 2022 and December 31, 2022. The percentage increase statistics reflect the difference between the total enrollment numbers at the average enrollment school, median enrollment school, highest enrollment school, and lowest enrollment school calculated as of January 1, 2022 and the total enrollment numbers at the average enrollment school, median enrollment school, highest enrollment school, and lowest enrollment school calculated as of December 31, 2022.

	Student Enrollment								Percentage Increase in Total Enrollment from January 1, 2022 to December 31, 2022			
	As of January 1, 2022				As of December 31, 2022							
Type of Business	**Avg.**	**Median**	**High**	**Low**	**Avg.**	**Median**	**High**	**Low**	**Avg.**	**Median**	**High**	**Low**
Company-owned	187	167	356	95	208	176	412	85	11%	5%	16%	-11%
Franchised	170	160	458	38	192	184	567	72	13%	15%	24%	89%

The number of Company-owned Designated Schools that attained or exceeded the average student enrollment figure as of January 1, 2022, was 17 (39%) and as of December 31, 2022, was 19 (43%). The number of Company-owned Designated Schools that attained or exceeded the median student enrollment figure as of January 1, 2022, was 22 (50%) and as of December 31, 2022, was 22 (50%). The number of Company-owned Designated Schools that attained or exceeded the average percentage increase in total enrollment in 2022 was 19 (43%). The number of Company-owned Designated Schools that attained or exceeded the median enrollment school's percentage increase in total enrollment in 2022 was 28 (64%). Nine of the Company-owned Designated Schools had a decrease in total enrollment in 2022.

The number of franchised Designated Schools that attained or exceeded the average student enrollment figure as of January 1, 2022, was 82 (43%) and as of December 31, 2022 was 88 (46%). The number of franchised Designated Schools that attained or exceeded the median student enrollment figure as of January 1, 2022 was 97 (51%) and as of December 31, 2022 was 95 (50%). The number of franchised Designated Schools that attained or exceeded the average percentage increase in total enrollment in 2022 was 88 (46%). The number of franchised Designated Schools that attained or exceeded the median enrollment school's percentage increase in total enrollment in 2022 was 83 (44%). Forty-two of the franchised Designated Schools had a decrease in total enrollment in 2022.

Table 4

2022 Student Enrollment Numbers (Established Designated Schools Only)

Table 4 below provides the average and median student enrollment at each of the Established Designated Schools as of January 1, 2022 and December 31, 2022. The percentage increase statistics reflect the difference between the total enrollment numbers at the average enrollment school, median enrollment school, highest enrollment school, and lowest enrollment school calculated as of January 1, 2022 and the total enrollment numbers at the average enrollment school, median enrollment school, highest enrollment school, and lowest enrollment school calculated as of December 31, 2022.

	Student Enrollment								Percentage Increase in Total Enrollment from January 1, 2022 to December 31, 2022			
	As of January 1, 2022				As of December 31, 2022							
Type of Business	**Avg.**	**Median**	**High**	**Low**	**Avg.**	**Median**	**High**	**Low**	**Avg.**	**Median**	**High**	**Low**
Company-owned[1]	189	167	356	95	211	179	412	88	12%	7%	16%	-7%
Franchised[2]	178	163	458	73	196	188	567	80	10%	16%	24%	10%

The number of Company-owned Established Designated Schools that attained or exceeded the average student enrollment figure as of January 1, 2022, was 17 (40%) and as of December 31, 2022 was 19 (44%). The number of Company-owned Established Designated Schools that attained or exceeded the median student enrollment figure as of January 1, 2022 was 22 (51%) and as of December 31, 2022 was 22 (51%). The number of Company-owned Established Designated Schools that attained or exceeded the average percentage increase in total enrollment in 2022 was 19 (44%). The number of Company-owned Established Designated Schools that attained or exceeded the median enrollment school's percentage increase in total enrollment in 2022 was 23 (53%). Eight of the Company-owned Established Designated Schools had a decrease in total enrollment in 2022.

The number of franchised Established Designated Schools that attained or exceeded the average student enrollment figure as of January 1, 2022 was 76 (44%) and as of December 31, 2022 was 78 (45%). The number of franchised Established Designated Schools that attained or exceeded the median student enrollment figure as of January 1, 2022 was 86 (50%) and as of December 31, 2022 was 86 (50%). The number of franchised Established Designated Schools that attained or exceeded the average percentage increase in total enrollment in 2022 was 79 (46%). The number of franchised Established Designated Schools that attained or exceeded the median enrollment school's percentage increase in total enrollment in 2022 was 60 (35%). Forty-two of the franchised Established Designated Schools had a decrease in total enrollment in 2022.

Table 5

2022 Annual Average and Median Total Sales at Franchised Designated Schools (Grouped by Number of Months in Operation)

The tables below provide the annual average and median Total Sales for the franchised Designated Schools' operations from January 1, 2022 to December 31, 2022. The Schools are grouped by number of months the Schools had been in operation as of December 31, 2022. The percentage change column shows the change between the average 2021 Total Sales for the subset and the average 2022 Total Sales for the subset; as well as the change between the median 2021 Total Sales for the subset and the median 2022 Total Sales for the subset. These tables only present information for Schools that were open the full year of 2022.

Total Sales 2022
By Vintage - Franchised (US)

Vintage (months)	Number of Franchise Schools	Average 2022	Median 2022	High	Low	% Change - Average	% Change - Median
13-24	16	$420,912	$378,566	$758,964	$197,183	n/a	n/a
25-36	16	$561,028	$513,903	$974,771	$326,970	45%	45%
37-48	25	$559,157	$565,675	$842,866	$264,644	27%	27%
49-60	14	$510,082	$476,487	$929,729	$183,288	33%	43%
61-72	9	$696,914	$615,103	$1,327,362	$278,505	33%	29%
73+	110	$684,520	$648,270	$1,932,416	$224,710	27%	28%

Total Sales Metrics 2022		Schools At or Above Average		Schools At or Above Median	
Vintage (months)	Number of Franchise Schools	Number	Percentage	Number	Percentage
13-24	16	6	38%	8	50%
25-36	16	7	44%	8	50%
37-48	25	13	52%	13	52%
49-60	14	7	50%	7	50%
61-72	9	2	22%	5	56%
73+	110	45	41%	55	50%

Table 6

2022 Average Student Enrollment at Franchised Designated Schools (Grouped by Number of Months in Operation)

The tables below provide the average and median student enrollment for the franchised Designated Schools operating from January 1, 2022, to December 31, 2022. The Schools are grouped by number of months the Schools had been in operation as of December 31, 2022. The percentage change columns show the change between the average student enrollment for the subset as of January 1, 2022, and the average student enrollment for the subset as of December 31, 2022; as well as the change between the median student enrollment for the subset as of January 1, 2022, and the median student enrollment for the subset as of December 31, 2022. These tables only present information for schools that were open the full year of 2022.

Student Enrollment as of December 31, 2022
By Vintage - Franchised (US)

Vintage (months)	Number of Franchise Schools	Average 2022	Median 2022	High	Low	% Change - Average	% Change - Median
13-24	16	156	127	367	72	n/a	n/a
25-36	16	175	166	287	102	13%	16%
37-48	25	167	173	227	80	6%	7%
49-60	14	176	169	292	95	15%	6%
61-72	9	233	202	490	84	17%	22%
73+	110	204	199	567	91	10%	11%

Student Enrollment Metrics 2022		Schools At or Above Average		Schools At or Above Median	
Vintage (months)	Number of Franchise Schools	Number	Percentage	Number	Percentage
13-24	16	7	44%	8	50%
25-36	16	7	44%	9	56%
37-48	25	14	56%	13	52%
49-60	14	5	36%	7	50%
61-72	9	3	33%	5	56%
73+	110	50	45%	55	50%

Table 7

Average Total Sales and Net Operating Income as a Percentage of Average Total Sales of Established Company Designated Schools

The table below provides financial information from January 1, 2022, to December 31, 2022 for the 43 Company-owned schools that had been operated by School of Rock, LLC and/or its affiliates for 24 months or more as of December 31, 2022. This table does not include the four Company-owned schools that were acquired from franchisees during 2022, the three Company-owned schools that were sold to a franchisee in 2021 or 2022, or the Company-owned school that closed in 2021.

COMPANY-OWNED SCHOOLS	Average (Annual)	% of Total Sales	% of Schools at or Above Average	# of Schools at or Above Average
Total Sales	$734,885	100.0%	39.5%	17
Cost of Sales	$243,850	33.2%	44.2%	19
Gross Profit	$491,035	66.8%	39.5%	17
Operating Expenses				
Management Labor	$89,366	12.2%	34.9%	15
Admin Labor	$33,022	4.5%	44.2%	19
Rent	$80,967	11.0%	39.5%	17
National Brand Fund	$22,080	3.0%	39.5%	17
IT Expense**	$4,070	0.6%	100.0%	43
Imputed Royalties***	$58,791	8.0%	39.5%	17
Other Expenses****	$49,839	6.8%	41.9%	18
Total Expenses	$338,135	46.0%	34.9%	15
Net Operating Income	$152,900	20.8%	39.5%	17

Average Total Sales	$734,885 (17 Company-owned locations, 40% were at or above this figure)
Median Total Sales	$640,462 (22 Company-owned locations, 51% were at or above this figure)
Highest Total Sales	$1,382,962
Lowest Total Sales	$292,320

** IT fees are a flat fee in all schools.

*** Imputed royalties estimated using 8% royalty fee.

**** Other expenses include local marketing, occupancy costs, and various other expenses.

Table 8

Median Total Sales and Net Operating Income as a Percentage of Median Total Sales of Established Company Designated Schools

The table below provides financial information from January 1, 2022 to December 31, 2022 for the median School of the 43 Company-owned Schools that had been operated by School of Rock, LLC and/or its affiliates for at least 24 months or more as of December 31, 2022. This table does not include the 4 Company-owned schools that were acquired from franchisees during 2022, the 3 Company-owned schools that were sold to franchisees in 2021 or 2022, or the 1 Company-owned school that closed in 2021.

Company-owned Schools	Median (Annual)	% of Total Sales	% of Schools at or Above Median	# of Schools at or Above Median
Total Sales	$640,462	100.0%	51.2%	22
Cost of Sales	$207,583	32.4%	51.2%	22
Gross Profit	$432,879	67.6%	51.2%	22
Operating Expenses				
Management Labor	$78,738	12.3%	51.2%	22
Admin Labor	$28,712	4.5%	51.2%	22
Rent	$78,240	12.2%	51.2%	22
National Brand Fund	$19,214	3.0%	51.2%	22
IT Expense**	$4,070	0.6%	100.0%	43
Imputed Royalties***	$51,237	8.0%	51.2%	22
Other Expenses****	$39,747	6.2%	51.2%	22
Total Expenses	$299,957	46.8%	51.2%	22
Net Operating Income	$118,960	18.6%	51.2%	22

Average Total Sales	$734,885 (17 Company-owned locations, 40% were at or above this figure)
Median Total Sales	$640,462 (22 Company-owned locations, 51% were at or above this figure)
Highest Total Sales	$1,382,962
Lowest Total Sales	$292,320

** IT fees are a flat fee in all schools.

*** Imputed royalties estimated using 8% royalty fee.

**** Other expenses include local marketing, occupancy costs, and various other expenses.

* * *

To make the financial performance representation in this Item 19, we relied on the Total Sales and student enrollment information collected through our billing and accounting system. Written substantiation of the data used in preparing this financial performance representation will be made available to you as a prospective franchisee upon reasonable written request.

Other than the preceding financial performance representation, School of Rock does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing School, 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 Anthony Padulo at 1 Wattles Street, Canton, MA 02021, (630) 474-3782, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1
SYSTEM-WIDE OUTLET SUMMARY*
FOR YEARS 2020 TO 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	175	184	+9
	2021	184	198	+14
	2022	198	211	+13
Company-owned**	2020	42	47	+5
	2021	47	45	-2
	2022	45	47	+2
Total Outlets	**2020**	**217**	**231**	**+14**
	2021	**231**	**243**	**+12**
	2022	**243**	**258**	**+15**

* All Item 20 charts reflect only outlets operating in the United States.
** All "company-owned" outlets referred to in this Item 20 are owned and operated by our parent and affiliate, School of Rock LLC or its wholly owned subsidiaries.

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Table 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2020 TO 2022

State	Year	Number of Transfers
Arizona	2020	0
	2021	2
	2022	0
California	2020	1
	2021	0
	2022	2
Colorado	2020	0
	2021	0
	2022	1
New York	2020	0
	2021	0
	2022	1
New Jersey	2020	1
	2021	2
	2022	0
Tennessee	2020	0
	2021	0
	2022	1
Texas	2020	3
	2021	0
	2022	0
Utah	2020	0
	2021	0
	2022	1
Wisconsin	2020	0
	2021	0
	2022	1
Total	**2020**	**5**
	2021	**4**
	2022	**7**

Table 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2020 TO 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations*	Non-Renewal	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of Year
AR	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
AZ	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	1	2
	2022	2	0	0	0	0	0	2
CA	2020	17	3	0	0	0	0	20
	2021	20	3	0	0	0	0	23
	2022	23	3	0	0	0	0	26
CO	2020	5	2	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
CT	2020	5	0	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	1	0	0	0	0	7
DE	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
DC	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
FL	2020	13	1	0	0	0	0	14
	2021	14	2	0	0	0	0	16
	2022	16	0	0	0	0	0	16
GA	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	1	0	3
IL	2020	14	2	0	0	0	0	16
	2021	16	1	0	0	0	0	17
	2022	17	0	0	0	0	0	17
IN	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations*	Non-Renewal	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of Year
IA	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
KS	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
KY	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
LA	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
MD	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
MA	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
MI	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	1	0	0	0	0	5
MN	2020	1	1	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
MO	2020	1	0	0	0	0	1	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NE	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NJ	2020	13	1	0	1	0	0	13
	2021	13	0	0	0	0	0	13
	2022	13	1	0	0	3	0	11
NM	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations*	Non-Renewal	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of Year
NY	2020	13	2	0	0	0	0	15
	2021	15	2	0	0	0	0	17
	2022	17	2	0	0	0	0	19
NC	2020	4	2	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
OH	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
OK	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
OR	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
PA	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
	2022	9	0	0	1	0	0	8
RI	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
SC	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
TN	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	2	0	0	0	0	8
TX	2020	25	1	0	0	7	0	19
	2021	19	2	0	0	0	1	20
	2022	20	2	0	0	0	0	22
UT	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
VA	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7

State	Year	Outlets at Start of Year	Outlets Opened	Terminations*	Non-Renewal	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of Year
WA	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
WI	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	**2020**	**175**	**18**	**0**	**1**	**7**	**1**	**184**
	2021	**184**	**17**	**0**	**0**	**0**	**3**	**198**
	2022	**198**	**18**	**0**	**1**	**4**	**0**	**211**

* During 2022, franchise agreements for locations in Florida (1), Nevada (1), Ohio (1), and Texas (2) were terminated prior to the outlet being opened. During 2021, no franchise agreements were terminated prior to the outlet being opened. During 2020, franchise agreements for locations in Arizona (1), California (1), and Massachusetts (1) were terminated prior to the outlet being opened.

Table 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2020 TO 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
AR	2020	1	0	0	0	0	1
	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
CA	2020	7	0	0	0	0	7
	2021	7	0	0	0	0	7
	2022	7	0	0	0	1	6
CO	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
FL	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
GA	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	1	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
IL	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
KS	2020	1	0	0	0	0	1
	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0
MA	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
MD	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
MI	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
MN	2020	1	0	0	0	1	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
MO	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
NC	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
NJ	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	3	0	0	6
NV	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
NY	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
OR	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
PA	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
TX	2020	2	0	7	0	0	9
	2021	9	0	0	0	0	9
	2022	9	0	0	0	0	9
VA	2020	2	0	0	1	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
WA	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
Total	**2020**	**42**	**0**	**7**	**1**	**1**	**47**
	2021	**47**	**0**	**0**	**1**	**1**	**45**
	2022	**45**	**0**	**4**	**0**	**2**	**47**

Table 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2022

State	Franchise Agreement Signed But Unit Not Yet Open (As of December 31, 2022)	Projected New Franchised Units Opening in Fiscal Year 2023	Projected New Company-Owned Units in Fiscal Year 2023
AZ	4	4	0
CA	3	1	0
CO	1	1	0
CT	1	1	0
FL	3	3	0
GA	1	1	0
IL	1	0	0
IN	1	0	0
IA	1	1	0
MA	1	1	0
NV	1	1	0
NJ	1	1	0
NY	3	3	0
OH	3	3	0
OK	1	1	0
PA	1	1	0

State	Franchise Agreement Signed But Unit Not Yet Open (As of December 31, 2022)	Projected New Franchised Units Opening in Fiscal Year 2023	Projected New Company-Owned Units in Fiscal Year 2023
SC	1	0	0
TX	5	4	0
WA	1	1	0
Total	**34**	**28**	**0**

The above table gives the projected number of new franchised and company-owned schools during the one-year period of January 1, 2022 through December 31, 2022.

The name, address, and telephone number of our current franchisees and area developers, as of December 31, 2022, are listed in Exhibit D to this Disclosure Document. This list includes franchisees that signed a Franchise Agreement prior to December 31, 2022 but had not opened their franchised business as of that date.

Exhibit D also lists any franchises that were transferred, terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with us during the most recently completed fiscal year, or have not communicated with us within the 10 weeks preceding the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some franchisees signed confidentiality clauses during the last three fiscal years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with School of Rock. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There are currently no trademark-specific franchisee organizations that have been created, sponsored, or endorsed by us. However, the following independent franchisee organization has asked to be included in this Disclosure Document:

R.S.F.A.
103 Johnson Street
P.O. Box 2298
Windsor, CA 95492
707-823-8719
pas@singler-law.com

Item 21

FINANCIAL STATEMENTS

Our fiscal year end is December 31. Attached as Exhibit E are our audited balance sheets as of December 31, 2022; December 31, 2021; and December 31, 2020; and the related statements of income and cash flows for the periods then ending, along with unaudited financials as of February 28, 2023.

Item 22

CONTRACTS

The School of Rock Development Agreement (with exhibits) is attached as Exhibit F. The School of Rock Franchise Agreement (with exhibits) is attached as Exhibit G-1. The Renewal Amendment to Franchise Agreement is attached as Exhibit G-2. Our form Confidentiality and Non-Disclosure Agreement, which you will be required to sign before you sign a Franchise Agreement, is attached as Exhibit H. Our form General Release is attached as Exhibit I. Our form Franchisee Disclosure Questionnaire is attached as Exhibit K.

Item 23

RECEIPTS

A receipt in duplicate is attached to this Disclosure Document as Exhibit M. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to us at 1 Wattles Street, Canton, MA 02021.

EXHIBIT A TO
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

(See attached.)

California
Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
1-866-275-2677
www.dfpi.ca.gov
Ask.DFPI@dfpi.ca.gov

Florida
Florida Department of Agriculture &
Consumer Services
Division of Consumer Affairs
PO Box 6700
Tallahassee, Florida 32314-6700

Hawaii
Business Registration Division
Securities Compliance Branch
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Office of Attorney General
Franchise Division
500 South Second Street
Springfield, Illinois 62706

Indiana
Secretary of State
Franchise Section
Indiana Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Kentucky
Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
Frankfort, Kentucky 40601

Maryland
Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

Nebraska
Nebraska Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
PO Box 95006
Lincoln, NE 68508

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities
Department of Business Regulation
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920

South Dakota
Division of Insurance
Securities Regulation
124 S. Euclid Ave., Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Texas
Statutory Document Section
Secretary of State
P.O. Box 13550
Austin, Texas 78711

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
Ninth Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

Wisconsin
Department of Financial Institutions
Division of Securities
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53703

EXHIBIT B TO
FRANCHISE DISCLOSURE DOCUMENT

LIST OF AGENTS FOR SERVICE OF PROCESS

California
Commissioner of Financial Protection
and Innovation
Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
1-866-275-2677
www.dfpi.ca.gov
Ask.DFPI@dfpi.ca.gov

Hawaii
Commissioner of Securities of the State of
Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

Indiana
Secretary of State
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Kentucky
Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
P.O. Box 2000
Frankfort, Kentucky 40602

Maryland
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota
Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

Nebraska
Nebraska Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
PO Box 95006
Lincoln, Nebraska 68508

New York
Secretary of State
99 Washington Avenue
Albany, NY 12231

North Dakota
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities
Department of Business Regulation
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920

South Dakota
Director of the Division of Securities
Department of Labor and Regulation
Division of Insurance – Securities Regulation
124 S. Euclid Ave., Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Texas
Statutory Documents Section
Secretary of State
P.O. Box 13550
Austin, Texas 78711

Virginia
Clerk of the State Corporation Commission
1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

Wisconsin
Administrator
Division of Securities
Department of Financial Institutions
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53703

EXHIBIT C TO
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS FOR MANUALS

Operations Manual

Section	Number of Pages in Section
Change Log	5
Table of Contents	22
1. Mission and Principles	3
2. School of Rock Programs	37
3. Program Pricing	4
4. Marketing	43
5. Sales	11
6. The School of Rock Trial Experience	11
7. Student Orientation: From Start to Stage	4
8. Shows	21
9. Information Technology (IT)	19
10. Staffing	12
11. School of Rock Resale Process	4
12. School of Rock Renewal Process	4
13. School Safety	16
14. Compliance and System Standards	24
15. Opening a New School	5
16. COVID-19 and School of Rock Remote	1

Total Number of Pages: 246

Music Manual

Section	Number of Pages in Section
Overview	1
Change Log	1
Table of Contents	12
Using this Manual	1
Mission and Principles	4
Before You Begin Teaching	3
SongFirst Methodology	1
Equipment	2
Copyright Compliance	4
The School of Rock Method	4
Rules of the Road	1
Rules of the Instructor	1
Types of Students	2
Anatomy of a Lesson	8
Trial Lessons	4
Tone of the Trial Lesson	2
Lessons with Non-Regular Students	1
Learning Style	1
Identifying Teachable Moments	1
When to Move On	1
Common Learning Differences	1
Behavioral Issues	1
Communications	4
Before You Begin Directing	2
Song Selection	4
Casting	8
Rehearsal Management	6
Reporting and Communication	20

Section	Number of Pages in Section
Show Production and Stage Management	3
Show Director Resources	2
Before You Begin as Music Director	1
Role of Music Director	1
Our Methodology	4
Assessing Students for Placement	2
Managing Music Programs	19
Administrative Responsibilities	2
Sample Season Outline	5
Managing Staff	1
Community Outreach	1
Maintaining a Healthy School Culture	1
Parent Communication	1
Gear	1

Total Number of Pages: 145

Remote Management Guide

Section	Number of Pages in Section
Disclaimer for Franchisees	1
1. Overview	1
2. Preparation and School Set up	1
3. Management Responsibilities	2

Total Number of Pages: 5

School of Rock Remote - Instructor at Home Manual

Section	Number of Pages in Section
Change Log	1
Table of Contents	1
1. Overview	2
2. Remote Lessons and Troubleshooting	6
3. Best Practices and Lesson Structure	4

Total Number of Pages: 14

EXHIBIT D TO
FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT AND FORMER FRANCHISEES

I. Current Franchisees

State	City	Name of Operator	School Address	School Phone Number
AR	Bentonville	Bea Escobar	700 SE Walton Blvd., Suite 8 Bentonville, AR 72712	(479) 250-9600
AR	Fayetteville	Bea Escobar	2857 N. College Fayetteville, AR 72703	(479) 316-8288
AZ	Arcadia*	Patrick Peck Amy Peck	2805 E Indian School Rd. Phoenix, AZ 85016	(480) 914-7625
AZ	Gilbert	Patrick Peck Amy Peck	885 E. Warner Road Gilbert, AZ 85296	(480) 632-7625
AZ	Goodyear*	Michael Toerpe	5110 N Dysart Rd. Suite B110 Litchfield Park, AZ 85340	(602) 834-7625
AZ	Scottsdale	Patrick Peck Amy Peck	13610 N. Scottsdale Road Scottsdale, AZ 85254	(480) 483-7625
AZ	Tucson*	John Sacia	6586 E Grant Rd. Tucson, AZ 85715	(833) 887-7625
AZ	Queen Creek*	Jason Weiner Sarah Pearce	[TBD]	[TBD]
CA	Berkeley	Rachel Sager Anthony Sales	1313 Gilman Street Berkeley, CA 94706	(510) 956-7625
CA	Burbank	Christopher M. Czaja Elizabeth A. Weiner	2629 W Olive Ave. Burbank, CA 91505	(818) 643-7263
CA	Carmichael (Sacramento)	Jason Kline Cecilia Yi	6350 Fair Oaks Blvd. Carmichael, CA 95608	(916) 907-7625
CA	Chula Vista (Otay Ranch)	Mark Sheffield Citlali Sheffield	2015 Birch Road, #1107 Chula Vista, CA 91915	(619) 802-7625
CA	Del Mar	Steve Peterson Heidi Peterson	1555 Camino Del Mar #309 Del Mar, CA 92014	(858) 465-7625
CA	Elk Grove	Jason Kline Cecilia Yi	9045 Elk Grove Blvd. Elk Grove, CA 95624	(916) 500-7625
CA	Encinitas	Steve Peterson Heidi Peterson	165 S. El Camino Real Blvd. Encinitas, CA 92024	(760) 230-5968
CA	Folsom*	Jason Kline Cecilia Yi	9480 Madison Ave. Orangevale, CA 95662	(916) 963-7625
CA	Glendale*	Christopher M. Czaja Elizabeth A. Weiner	[TBD]	[TBD]

State	City	Name of Operator	School Address	School Phone Number
CA	Huntington Beach	Larry Boodman Jeff Nunes	18584 Main Street Huntington Beach, CA 92648	(714) 847-7788
CA	Los Angeles (Fairfax District LA)	Trisha Lacey	7801 Beverly Blvd. Los Angeles, CA 90036	(323) 999-1919
CA	Los Angeles (Venice)	Christopher M. Czaja Elizabeth A. Weiner	12300 Venice Blvd. Los Angeles, CA 90066	(310) 469-7625
CA	Los Angeles (West LA)	Christopher M. Czaja Elizabeth A. Weiner	12020 Wilshire Blvd. Los Angeles, CA 90025	(310) 442-7625
CA	Natomas*	Jason Kline Cecilia Yi	[TBD]	[TBD]
CA	Pasadena	Christopher M. Czaja Elizabeth A. Weiner	1240 E. Colorado Blvd. Pasadena, CA 91106	(626) 508-1818
CA	Redondo Beach (South Bay LA)	Christopher M. Czaja Elizabeth A. Weiner	1806 Artesia Blvd. Redondo Beach, CA 90277	(310) 379-2288
CA	Rolling Hills Estates (Palos Verdes)	Jeff Doll Melinda Doll	877 Silver Spur Road Rolling Hills Estates, CA 90274	(424) 966-7625
CA	Roseville	Jason Kline Cecilia Yi	228 Vernon Street Roseville, CA 95678	(916) 500-7625
CA	San Diego	Tim Bortree Jan Bortree	3194 Market Street, #2 San Diego, CA 92102	(619) 696-9343
CA	San Diego (Scripps Ranch)	Steve Peterson Heidi Peterson	12090 Scripps Summit Dr. San Diego, CA 92131	(858) 757-7625
CA	San Mateo	Rachel Sager Anthony Sales	711 South B Street San Mateo, CA 94010	(650) 347-3473
CA	San Rafael	Heather Riley Paul Kubin Barry Singer Gretchen Singer Patricia Blue	4150 Redwood Hwy. San Rafael, CA 94903	(415) 877-7625
CA	San Ramon	John Baker Toni Baker	460 Montgomery Street San Ramon, CA 94583	(925) 208-1296
CA	Santa Ana	Christopher Kopp Maki Kopp	2620 S. Bristol Street Santa Ana, CA 92704	(949) 774-7625
CA	Santa Clarita	Elizabeth Weiner Christoper Czaja	24515 Kansas Street Santa Clarita, CA 91321	(661) 268-6029
CA	Santa Rosa	Jacob Waldinger Joshua Waldinger	1462 Mendocino Avenue Santa Rosa, CA 95401	(707) 710-7625
CA	Vacaville	Leslie Silver Andrew Silver Jason Fein	322-B Parker Street Vacaville, CA 95688	(707) 999-7625
CA	Walnut Creek	Jeremy Fisch	1345 Newell Ave., Unit C Walnut Creek, CA 94596	(925) 415-7625
CA	West Hills (Woodland Hills)	Phil Christie Jamie Swan Christie	6727 Fallbrook Avenue Woodland Hills, CA 91307	(818) 659-7625

State	City	Name of Operator	School Address	School Phone Number
CO	Aurora	Charles Gruver Vittorio Pater Thomas Piercy Susan Piercy	13750 E. Rice Place Aurora, CO 80015	(720) 789-8866
CO	Boulder	Henry Davis Deniz Davis	3280 28th Street, Unit 1 Boulder, CO 80301	(303) 532-1201
CO	Broomfield	Jennifer Moriarta	6500 West 120th Ave. Unit A & B Broomfield, CO 80020	(303) 325-3772
CO	Colorado Springs	Brandon Wyatt Heather Wyatt	7535 N. Academy Blvd. Colorado Springs, CO 80920	(719) 888-1625
CO	Denver	Jim Johnson Jeannie Johnson	560 S. Holly Street #15 Denver, CO 80246	(720) 221-6991
CO	Fort Collins	Charles Silber Donna Silber	215 E. Foothills Pkwy., #720 Fort Collins, CO 80525	(970) 236-7625
CO	Highlands Ranch*	Shanna Breckenfeld Michael Groenendaal Sandra St. Laurent	9265 S. Broadway Suite 200 Highlands Ranch, CO 80129	(720) 828-7625
CO	Lakewood	Thomas Mark Kinsey Karen Yona Kinsey Kenneth Mark Kinsey	608 Garrison Street, Unit V Lakewood, CO 80215	(720)-662-7625
CT	East Hartford, CT*	Scott Rownin Andrew Kleeger Michael Kessler Brian Rivel Eric Jordan Michael Alpert Laurence Perlstein Jacquelyn Marumoto	36 Main St. East Hartford, CT 06118	(860) 962-7625
CT	Fairfield	Tony Reilly	1976 Post Road Fairfield, CT 06824	(203) 292-5473
CT	Greenwich	Stephen D. Kennedy Lloyd Gerry	1154 E Putnam Avenue #1 Riverside, CT 06878	(203) 244-8360
CT	Madison	Courtney Gibbons	845 Boston Post Road Madison, CT 06433	(203) 350-0345
CT	Milford	Heidi Rogers Kurt Koehler	213 Cherry St., #8 Milford, CT 06460	(860) 530-7625
CT	New Canaan	Mariola Galavis	41 Grove Street New Canaan, CT 06840	(203) 966-4430
CT	Ridgefield	Mariola Galavis	37 Danbury Road Ridgefield, CT 06877	(203) 594-7870
CT	West Hartford	Scott Rownin, Andrew Kleeger, Michael Kessler, Brian Rivel, Eric Jordan, Michael Alpert, Laurence Perlstein, Jacquelyn Marumoto	20 Isham Rd., 2nd Floor West Hartford, CT 06107	(860) 973-7625

State	City	Name of Operator	School Address	School Phone Number
DE	Hockessin	Aaron Wygonik Michael Pesce	138 Lantana Drive Hockessin, DE 19707	(302) 433-7625
DC	Washington	Jaime Cook Christopher E. Cook	3529 Connecticut Avenue NW Washington, DC 20008	(202) 893-8765
FL	Boca Raton	Richard Kagan Stacey Kagan	141 NW 20th Street, Suite F1 Boca Raton, FL 33431	(561) 430-2411
FL	Coconut Grove	Andres Sintes Laura Sintes	3015 Grand Avenue, #220 Coconut Grove, FL 33133	(786) 620-9019
FL	Coral Springs	Craig Zim	7544 Wiles Road, C-102 Coral Springs, FL 33067	(954) 757-7625
FL	Davie (West Broward)	Craig Zim Burny Pelsmajer	4401 S. Flamingo Road Davie, FL 33330	(954) 252-7625
FL	Doral*	Andres Sintes Laura Sintes	2600 NW 87th Avenue Unit 15 Doral, FL 33172	(305) 298-3819
FL	Fort Lauderdale	Craig Zim	3058 N Federal Hwy. Fort Lauderdale, FL 33306	(954) 564-7625
FL	Fort Myers	Doug Harris Lori Harris	6900 Daniels Pkwy., Suite C-15 Fort Myers, FL 33912	(239) 932-7625
FL	Lake Worth (South Palm Beach)	Rick Rothschild	7433 S. Military Trail Lake Worth, FL 33463	(561) 855-2646
FL	Mandarin*	Ryan Campbell Dean Campbell	11112 San Jose Blvd. Unit #25 Jacksonville, FL 32223	(904) 795-7625
FL	Miami (Coral Gables)	Andres Sintes Laura Sintes	5701 SW 72nd Street Miami, FL 33143	(786) 843-9230
FL	North Miami	Nancy Sullivan Craig Zim	2000 NE 146 Street North Miami, FL 33181	(305) 454-0688
FL	North Palm Beach	Rick Rothschild	11650 U.S. Highway One North Palm Beach, FL 33408	(561) 625-9238
FL	Orlando	Wes Simmons	6700 Conroy Windermere Road Orlando, FL 32835	(407) 710-9100
FL	Oviedo	Wes Simmons	5420 Deep Lake Road Oviedo, FL 32765	(407) 706-3900
FL	Pompano Beach	Craig Zim	1901 N. Federal Highway SW Unit E209 Pompano Beach, FL 33062	(954) 941-7625
FL	Sarasota* (Lakewood Ranch)	Gary Falcon Kelley Falcon	8741 State Rd. 70 E Bradenton, FL 34202	(941) 842-7625
FL	St. Petersburg	Hank Simpson Julie Simpson Alee Simpson	2401 Central Avenue St. Petersburg, FL 33713	(727) 871-7625
FL	Tampa	Michael Malloy	620 S. MacDill Ave., Suite C Tampa, FL 33609	(813) 873-8047

State	City	Name of Operator	School Address	School Phone Number
FL	Tampa North	Charles Roehm	11730 N Dale Mabry Hwy. Tampa, FL 33618	813-683-7625
GA	Buford	Neal Weaver	4295 Buford Drive Buford, GA 30518	(770) 450-4321
GA	Marietta	Mark Lavinsky Laurie/Adam Lavinsky	2877 Johnson Ferry Road #B East Cobb, GA 30062	(770) 579-0400
GA	West Cobb	Gabriel Rudge Fabiana De Souza	1600 Kennesaw Due West Road NW, Suite 203 Kennesaw, GA 30152	(470) 795-2112
GA	Woodstock*	Gabriel Rudge Fabiana De Souza	5947 Holly Springs Parkway Suite 308-309 Woodstock, Georgia 30188	(470) 795-6995
IL	Algonquin*	Katherine Parungao	[TBD]	[TBD]
IL	Andersonville	James Sellers Lisa Beacom	5600 N. Ridge Avenue Chicago, IL 60660	(872) 810-7625
IL	Arlington Heights	Jim Gignac Ann Marie Gignac	17 E. Campbell Street Arlington Heights, IL 60005	(847) 915-6201
IL	Barrington	Katherine Parungao Holly Quirk	100 W. Main Street Barrington, IL 60010	(847) 999-7625
IL	Chicago West	Charles Stevenson Ted Billups	1913 W Chicago Avenue Chicago, IL 60622	(312) 526-3978
IL	Elmhurst	Anne Schovain Denise Dills	105 N. Maple Avenue Elmhurst, IL 60126	(630) 750-7625
IL	Evanston	Rob Rowe	1311 Sherman Place Evanston, IL 60201	(847) 864-7625
IL	Geneva	Cheryl Fein Jason Fein	15 W State Street Geneva, IL 60134	(630) 355-7625
IL	Glenbrook (Northbrook)	Amy Renzulli Adam Instefjord Dave Vazzano	3139 Dundee Road Northbrook, IL 60062	(224) 904-7625
IL	Highwood	Rob Rowe	9 Prairie Avenue Highwood, IL 60040	(847) 433-7625
IL	Hinsdale	Anne Schovain Denise Dills	116 S. Washington Street Hinsdale, IL 60521	(630) 936-4742
IL	Libertyville	John Zebell	225 E Park Avenue Libertyville, IL 60048	(847) 497-0219
IL	Mokena	Mark P. Doyle Katherine Doyle	9618 W 194th Place Mokena, IL 60448	(708) 479-7625
IL	Naperville	Anne Schovain Denise Dills	220 N. Washington Street Naperville, IL 60540	(630) 750-7625
IL	Oak Park	Amy Renzulli	219 Lake Street Oak Park, IL 60302	(708) 298-0002

State	City	Name of Operator	School Address	School Phone Number
IL	Park Ridge	Jaime Dominguez Susan Dominguez	15 N Prospect Avenue Park Ridge, IL 60068	(847) 939-4207
IL	Plainfield	Cheryl Fein Jason Fein	24026 W. Lockport Street Plainfield, IL 60544	(815) 246-3400
IL	Schaumburg	Cheryl Fein Jason Fein	1409 Wright Boulevard Schaumburg, IL 60193	(847) 565-5700
IN	Carmel	Stephen McFarland	626 S. Rangeline Road Carmel, IN 46032	(317) 848-7625
IN	Fishers	Stephen McFarland	11740 Olio Road, #100 Fishers, IN 46038	(317) 732-5109
IN	Fort Wayne	Mark McKibben	9006 Coldwater Road Fort Wayne, IN 46825	(260) 497-7625
IN	Lake County/Munster*	Jack Lieser	[TBD]	[TBD]
IN	Zionsville	Stephen McFarland	675 S. Main Street Zionsville, IN 46077	(317) 344-0307
IA	Ankeny*	Greg Moore	1875 N Ankeny Blvd. Suite 101 Ankeny, IA 50023	(515) 505-7625
IA	Marion (Cedar Rapids)	Greg Moore	710 10th Street Marion, IA 52302	(319) 450-7625
IA	West Des Moines	Greg Moore	7450 Bridgewood Blvd., #200 West Des Moines, IA 50266	(515) 999-7625
KS	Overland Park (Blue Valley)	Jeremy Wilkinson	11516 West 135th Street Overland Park, KS 66221	(913) 430-7625
KY	Florence (Northern Kentucky)	Josh Ullrich Christina Ullrich	6415 Dixie Hwy. Florence, KY 41042	(859) 999-7625
KY	Louisville	Melanie Scofield Doug Scofield	12001 Shelbyville Road, Ste. 102 Louisville, KY 40243	(502) 540-8765
KY	St. Matthews	Melanie Scofield Doug Scofield	4121 Shelbyville Road Suite 7 Louisville, KY 40207	(502)966-9040
LA	Baton Rouge	Lyle Board Jennifer Board	5830 South Sherwood Forest Blvd., Suite A-6 Baton Rouge LA 70816	(225) 408-0029
LA	Lafayette	Hawley J Garry III Scott Feeney	116 Rena Drive Lafayette, LA 70503	(337) 984-1478
LA	Metairie	Charles Gruver Tom Piercy	1907 Veterans Blvd. Metairie, LA 70005	(504) 618-7625
LA	Northshore	Charles Gruver Vittorio Pater	1872 North Causeway Boulevard Mandeville, LA 70471	(985) 589-7625
MD	Silver Spring	Jeff Bollettino Laura Bollettino	8634 Colesville Road Silver Spring, MD 20910	(301) 589-7625

State	City	Name of Operator	School Address	School Phone Number
MA	Attleboro	David LaSalle	185 Washington Street Attleboro, MA 02703	(508) 751-5300
MA	Burlington*	Mark Abruzzese	6 Wayside Rd., Suite 6S Burlington, MA 01803	(781) 384-5683
MA	Norwood	Phil Martelly Shawn Garrity	1250 Washington Street Norwood, MA 02062	(781) 352-2336
MA	Seekonk	Phil Martelly Shawn Garrity	1295 Fall River Avenue Seekonk, MA 02771	(508) 557-0213
MA	Wakefield	Phil Martelly Shawn Garrity	14 Teal Road Wakefield, MA 01880	(781) 598-1960
MI	Ann Arbor	Lance Zechinato Dianna Wilson	6101 Jackson Road Ann Arbor, MI 48103	(734) 686-3333
MI	Canton	Christopher J. Marek	5810 N. Sheldon Road Canton, MI 48187	(734) 357-8888
MI	Farmington	Christopher J. Marek	22730 Orchard Lake Road Farmington, MI 48336	(248) 987-4450
MI	Grand Rapids	Gwen Bultema James Bultema	2505 Burton St. SE, Grand Rapids, MI 49546	(616) 317-7625
MI	Okemos (East Lansing)	Jon Jackinchuk Sarah Jackinchuk	2037 W. Grand River Avenue Okemos, MI 48864	(517) 220-7625
MN	Eden Prairie	Steve Davis Becky Smith	6585 Edenvale Blvd., Suite 100B Eden Prairie, MN 55346	(952) 934-7625
MN	Medina (Plymouth)	Jora Bart Adam Bart	312 Clydesdale Trail Medina, MN 55340	(763) 308-3074
MN	West St. Paul	Keith Shifrin	244 Cleveland Ave. S St Paul, MN 55105	(651) 292-1917
MO	St. Peters	Frank Muriel Diane Mantovani	290 Mid Rivers Mall Circle St. Peters, MO 63376	(636) 626-7625
NE	Omaha	Matthew Szymczak Melanie Szymczak Stephanie Ryan	13270 Millard Avenue Omaha, NE 68130	(402) 691-8875
NV	NW Las Vegas*	Alice Chen	5770 Centennial Center Blvd Unit 110 Las Vegas, NV 89149	(725) 269-7625
NJ	Brick	Andrew Karlin Valerie Karlin	485 Brick Boulevard Brick, NJ 08723	(732) 359-4002
NJ	Carlstadt*	David Santamaria Dominique Abita	301 Hoboken Road Carlstadt, NJ 07072	(201) 322 7625
NJ	Deptford	Matthew Glick Phillip Glick Karen Glick	1575 Almonesson Road Deptford, NJ 08096	(856) 946-7925
NJ	East Brunswick	Joe Biondi	3 Lexington Downs East Brunswick, NJ 08816	(732) 570-2599

State	City	Name of Operator	School Address	School Phone Number
NJ	Hoboken	Jeremy Pores Rachel Webster Pores	720 Monroe Street, Unit E104 Hoboken, NJ 07030	(973) 464-0860
NJ	Lawrence Township (Princeton)	Mike Morpurgo Annie Morton	1761 Princeton Ave. Lawrence Township, NJ 08648	(609) 890-7090
NJ	Marlboro	Andrew Lubeck	256 Highway 79 Marlboro, NJ 07751	(732) 290-0666
NJ	Maywood	Michael Lisante	24 W. Pleasant Avenue Maywood, NJ 07607	(201) 201-4841
NJ	Montclair	Matt Sandoski	125 Valley Road Montclair, NJ 07042	(973) 337-5296
NJ	Randolph	Suzanne Kane Jimmi Kane	540 Route 10 West Randolph, NJ 07853	(862) 437-1220
NJ	Somerville	Dante Cimino John Epstein Kristin Epstein	1 West Main Street Somerville, NJ 08876	(908) 231-8300
NJ	Waldwick	Kurt Haller Susan Marlett	152 Franklin Turnpike, Suite B Waldwick, NJ 07463	(201) 444-4425
NM	Albuquerque	Robert Montoya Dawn Montoya	6409 Candelaria Road NE Albuquerque, NM 87110	(505) 842-7331
NY	Albertson (Roslyn)	Monica Rubin Gene Rubin	915 Willis Avenue Albertson, NY 11507	(516) 234-7625
NY	Bayside (Queens)	Monica Rubin Gene Rubin	34-43 Francis Lewis Blvd. Lower Level, Ste. 2 Bayside, NY 11358	(929) 999-7625
NY	Beacon	Robert Rutigliano Thompson Cassel	344 Main Street Beacon, NY 12508	(845) 835-0001
NY	Bedford	Tony Reilly	12 Court Road Bedford, NY 10506	(914) 234-0418
NY	Blauvelt (Rockland)	Don Seraita Alan Seraita	135 East Erie Street Blauvelt, NY 10913	(845) 977-0275
NY	Briarcliff Manor	James Domzalski Chandra Domzalski	127 Woodside Avenue, Store #1 Briarcliff Manor, NY 10510	(844) 426-7625
NY	Brooklyn	Mike Addesso	327 Douglass Street Brooklyn, NY 11217	(347) 915-4419
NY	Brooklyn (Williamsburg)	Kenneth Kramer	294 Graham Avenue Brooklyn, NY 11211	(347) 844-9363
NY	East Amherst (North Buffalo)	Joseph Pietrkiewicz RaeLyn Doud-Pietrkiewicz	9310 Transit Rd., Ste. 104 East Amherst, NY 14051	(716) 317-7625
NY	Farmingdale	Joel Camp Emilia Camp	540 Smith Street Farmingdale, NY 11704	(631) 425-5191
NY	Forest Hills*	Monica Rubin Gene Rubin	[TBD]	[TBD]

State	City	Name of Operator	School Address	School Phone Number
NY	Huntington	Gene Rubin Monica Rubin	145 E Main Street Huntington, NY 11743	(631) 683-5030
NY	Latham (Albany)	David Bodie	592 Loudon Road Albany, NY 12110	(518) 783-7625
NY	Mamaroneck	Tory Ridder	1 Depot Plaza Mamaroneck, NY 10543	(914) 777-1500
NY	New York	Peter Schellbach Brendan O'Connor Bob Jones Jonathan Langer	439 E 75th Street New York, NY 10021	(212) 249-7625
NY	Port Jefferson	Tracie Smith	4837 Nesconset Highway Port Jefferson, NY 11776	(631) 476-7625
NY	Rochester*	David Curry John Kunes	235 High Street Extension, Bldg. B Victor, NY 14564	(585) 400-7625
NY	Rockville Centre	Gene Rubin Monica Rubin	197 N. Long Beach Road Rockville Centre, NY 11570	(516) 599-5909
NY	Sayville	Emilia Camp Joel Camp	4832 Sunrise Hwy South Service Rd., Sayville, NY 11782	(631) 425-5191
NY	Syosset-Oyster Bay	Monica Rubin Gene Rubin	180 Michael Drive Syosset, NY 11791	(516) 234-7625
NY	Water Mill (Riverhead)*	Tracie Smith	[TBD]	[TBD]
NY	White Plains	Jeff Silverman Jane Kapp	242 Central Avenue White Plains, NY 10606	(914) 468-1100
NC	Cary	Kevin Hester	1311 NW Maynard Road Cary, NC 27513	(919) 439-6086
NC	Chapel Hill	David Joseph Sally Joseph	1500 Fordham Blvd. Chapel Hill, NC 27514	(919) 338-1011
NC	Cornelius	Phil Martelly Shawn Garrity	21112 Catawba Avenue Cornelius, NC 28031	(980) 689-5257
NC	Holly Springs	Brad Jenkins Michelle Cobb Jenkins	104 Bass Lake Road Holly Springs, NC 27540	(984) 400-7625
NC	Raleigh	Brad Jenkins Michelle Cobb Jenkins	6300 Creedmoor Road, Ste. 186 Raleigh, NC 27612	(919) 292-7625
NC	Wake Forest	Kimberly Weaver Douglas Weaver	3309 Rogers Road, Ste. 105 Wake Forest, NC 27587	(919) 435-3569
NC	Wilmington	Kara Altvater Giblin Norman Gray Giblin	820 Town Center Drive, Ste. 130 Wilmington, NC 28405	(910) 660-7625
OH	Beavercreek*	Nathan Warden Amanda Warden	2850-C Centre Drive Beavercreek, OH 45324	(937) 912-1010
OH	Cincinnati	Josh Ullrich Christina Ullrich	6710 Madison Road Cincinnati, OH 45227	(513) 586-7625

State	City	Name of Operator	School Address	School Phone Number
OH	Columbus*	Russell Miller Chad Greenwald	949 W 3rd Ave. Columbus, OH 43212	(614) 686-7625
OH	Columbus (Gahanna)	Michael C. King	5225 N. Hamilton Road Columbus, OH 43230	(614) 962-7625
OH	Dublin	Stewart Kemper David Gonzalez	6727 Dublin Center Drive Dublin, OH 43017	(614) 788-7200
OH	Highland Heights	Shelly Norehad Mike Norehad	299 Alpha Park Highland Heights, OH 44143	(440) 333-7625
OH	Mason	Tim Garry	755 Reading Road, Suite 1 Mason, OH 45040	(513) 770-1257
OH	Perrysburg*	Ronald Rothenbuhler	3185 Chappel Dr. Perrysburg, OH 43551	[TBD]
OH	Strongsville	Shelly Norehad Mike Norehad	16812 S. Pearl Street Strongsville, OH 44136	(440) 572-7655
OH	Westlake/Cleveland West	Shelly Norehad Mike Norehad	20148 Detroit Road Rocky River, OH 44116	(440) 684-7625
OK	Broken Arrow (Tulsa/BA)	Ryan Gray David Lewis	4601 W Kenosha Street, Ste. O/P Broken Arrow, OK 74012	(918) 872-8886
OK	Edmond	Ted Kuschel Brandon Birdwell Chris Rhoads	100 N Broadway, #124 Edmond, OK 73034	(405) 471-6630
OK	North Tulsa*	Ryan Gray David Lewis	[TBD]	[TBD]
OK	Oklahoma City	Judith Walraven Jeffrey Walraven	2841 Lancaster Lance Oklahoma City, OK	(405) 242-4815
OR	Lake Oswego	Jon Graf Katherine Graf	11830 SW Kerr Parkway Lake Oswego, OR 97035	(503) 477-8589
PA	Berwyn (Main Line)	David Marsh Rik Alison	511 Old Lancaster Road Berwyn, PA 19312	(610) 647-2900
PA	Delco*	Monica Dulemba Jeff Dulemba	509 E Baltimore Pike, Suite 523 Media, PA 19063	(484) 500-7625
PA	Downingtown	Tom McKee	478 Acorn Lane Downingtown, PA 19335	(610) 518-7625
PA	Doylestown	Mike Morpurgo	135 South Main Street Doylestown, OA 18901	(267) 362-5282
PA	Easton	Ray Thierrin Sue Thierrin	19 South Bank Street Easton, PA 18040	(610) 923-1625
PA	Newtown	Paul Pollock Janine Pollock Mitchell Brook	2852 S Eagle Rd. Newtown, PA 18940	(267) 288-0306
PA	Philadelphia	Lisa Riley Neville Vakharia	421 N. 7th Street Philadelphia, PA 19123	(267) 639-4007

State	City	Name of Operator	School Address	School Phone Number
PA	South Hills	DJ Blackrick	4100 Library Road Castle Shannon, PA 15234	(412) 343-7625
PA	Wexford	DJ Blackrick	11171 Perry Highway Wexford, PA 15090	(724) 934-5692
SC	Mount Pleasant	Steve McFarland Matt McFarland	1907 N Hwy. 17, Suite 102 Mount Pleasant, SC 29464	(843) 258-1181
SC	North Charleston*	Steve McFarland Matt McFarland	[TBD]	[TBD]
TN	Franklin	Kelly McCreight Angie McCreight	616 Bradley Court Franklin, TN 37064	(615) 221-9700
TN	Germantown	Marc Gurley	9309 Poplar Avenue Germantown, TN 38138	(901) 209-4170
TN	Hendersonville	Henrique Gomes Shari Neul	300 Indian Lake Blvd. Bldg. D, Suite 110 Hendersonville, TN	(615) 985-6112
TN	Knoxville	Jason Fein Kelsey Roberts Owen Szorc	101 Sherlake Lane, Suite 101 Knoxville, TN 37922	(865) 247-4038
TN	Memphis	Mark Gurley	402 Perkins Extension 17 Memphis, TN 381	(901) 730-4380
TN	Memphis (Wolfchase)	Marc Gurley	8385 US-64, Ste. 111 Memphis, TN 28133	(901) 425-7625
TN	Mt. Juliet	Kelly McCreight Angie McCreight	2010 Providence Pkwy #100 Mt. Juliet, TN 37122	(615) 583-8765
TN	Nashville	Kelly McCreight Angie McCreight	3201 Belmont Blvd. Nashville, TN 37212	(615) 730-5306
TX	Allen*	Kiva Lee Rapattoni Francis Rapattoni Susie McFadden Dalton Rapattoni Shannon Jabczynski	[TBD]	[TBD]
TX	SW Austin	Kimberly M. Durham Robert W. Durham	9600 I-35, Suite I-100 Austin, TX 78748	(512) 282-7625
TX	Bryan / College Station	Natalie Kidd Jacob Kidd Kristin Kidd Raymond Kidd	4001 State Highway 6, Ste. 120 College Station, TX 77845	(979) 977-2019
TX	Conroe	David Ireland	1302 W. Davis, Suite C Conroe, Texas 77304	(936) 400-7625
TX	Coppell*	Melissa Birchett	150 S Denton Tap Road Coppell, TX 75019	(469) 781-9819
TX	Cross Roads*	Justin Brannan	[TBD]	[TBD]
TX	Cypress	Dean Tarpley Juan Haces Alejandra Febre	12904 Fry Road, Suite 300 Cypress, TX 77433	(281) 304-7625

State	City	Name of Operator	School Address	School Phone Number
TX	Houston (Memorial)	Carolyn Abajian	1413 S. Voss Road, Ste. 280 Houston, TX 77057	(713) 425-3787
TX	Houston (The Heights)	Vivian Scott Hugh Scott	742 E 20th Street Houston, TX 77008	(832) 900-7625
TX	Houston (West University Place)	Vivian Scott Hugh Scott	2607 Bissonnet Street Houston, TX 77005	(832) 900-7625
TX	Lubbock	Amber Beadles Dean Tarpley Terry Longhway	7802 Indiana Avenue Lubbock, TX 79243	(806) 795-0506
TX	McAllen	Jose Leo Salazar Jaime Bastida-Diaz	5400 N. Ware Road, #50 McAllen, TX 78504	(956) 687-7625
TX	McKinney	Kiva Lee Rapattoni Francis Rapattoni Susie McFadden Dalton Rapattoni Shannon Jabczynski	3201 Hardin Blvd., Suite 210 McKinney, TX 75070	(214) 856-4055
TX	New Braunfels	Shannon Canada Cody Canada	940 W. San Antonio St., Suite C New Braunfels, TX 78130	(830) 358-1110
TX	North Dallas	Kiva Lee Rapattoni Francis Rapattoni Susie McFadden Dalton Rapattoni Shannon Jabczynski	2300 Inwood Rd., Ste, 220 Dallas, TX 75244	(214) 484-4832
TX	Pearland	Wallace Lee Luthy, Jr.	3422 Business Center Drive Pearland, TX 77584	(832) 895-7625
TX	Rockwall	Kiva Lee Rapattoni Francis Rapattoni Susie McFadden Dalton Rapattoni Shannon Jabczynski	206 E. Washington Street Rockwall, TX 75087	(469) 314-1300
TX	Round Rock	Kimberly Durham Bob Durham	4500 E. Palm Valley Blvd., Ste. 136 Round Rock, TX 78665	(512) 246-7625
TX	San Antonio	Andrew Patton Michele Patton	109 Gallery Circle, Suite 101 San Antonio, TX 78258	(210) 314-7671
TX	Southlake	Dean Tarpley	3220 W. Southlake Blvd. Southlake, TX 76092	(682) 593-0990
TX	Spring	David Ireland	21117 North Fwy., #600 Spring, TX 77388	(832) 246-7625
TX	Sugar Land	EJ Nolan Jeremy Horton Kalpesh Thakkar	1935 Lakeside Plaza Drive Sugar Land, TX 77479	(832) 939-8788
TX	Summer Creek*	Ken Prodoehl Meena Prodoehl	14315 East Sam Houston Parkway N, Suite 100 Houston, TX 77044	(281) 407-8808
TX	The Colony	Natalie Kidd Jacob Kidd Kristin Kidd Raymond Kidd	4897 TX-121 The Colony, TX 75056	(469) 428-7625

State	City	Name of Operator	School Address	School Phone Number
		Judson Severson Sarah Severson		
TX	Tomball (Champion Forest)	EJ Nolan Kalpesh Takkar Jeremy Horton	22424 Tomball Pkwy A Tomball, TX 77070	(281) 246-4475
TX	Webster (Clear Lake)	EJ Nolan	1020 NASA Parkway, #146 Webster, TX 77598	(281) 218-7625
TX	West Houston (Energy Corridor)*	Trevor Luthy Wallace Lee Luthy, Jr. Elizabeth Woods	14623-B Memorial Dr. Houston, TX 77079	(832) 810-7625
UT	Sandy	Chris Roberts Patrick Pirraglio	9083 S 255 W Sandy, UT 84070	(385) 351-5077
VA	Alexandria	Steve McKay	3260 Duke Street Alexandria, VA 22314	(571) 376-7625
VA	Ashburn	Jeff Bollettino Laura Bollettino	20660 Ashburn Road Ashburn, VA 20147	(703) 858-0820
VA	Chesapeake	Eric Lonning	1032 Volvo Pkwy. Chesapeake, VA 23320	(757) 998-7625
VA	Haymarket	Mary Hitchcock Connor Hitchcock	15101 Washington Street Haymarket, VA 20169	(703) 743-5277
VA	Midlothian	Brian McRay	4830 Commonwealth Center Parkway Midlothian, VA 23112	(804) 905-7625
VA	Vienna	Jeff Bollettino Laura Bollettino	111 Center Street South Vienna, VA 22180	(703) 242-2184
VA	Virginia Beach	Eric Lonning	1552 Mill Dam Road Virginia Beach, VA 23454	(757) 227-5797
WA	Issaquah	Chad Fondren Tracy Fondren	195 Front Street N Issaquah, WA 98027	(425) 443-5033
WA	Kent*	Allegra Rosler Aaron Rosler	445 Ramsay Way Suite 104 Kent, WA 98032	(425) 400-7625
WA	Lynnwood	Jon Scherrer Gayle Scherrer	3503 188th SW Lynnwood, WA 98037	(425) 361-2518
WA	Seattle	Phil Gustavson Robert Gustavson William Hogarth	4701 41st Avenue SW, #120 Seattle, WA 98116	(206) 294-3175
WI	Shorewood	Steve McFarland Matt McFarland	4050 N. Oakland Avenue Milwaukee, WI 53211	(414) 332-7625

* NOTE: As of December 31, 2022, these franchisees had signed Franchise Agreements, but had not yet opened.

II. Former Franchisees (from January 1, 2022 to December 31, 2022)*

Name of Former Franchisee	City and State	Last Known Phone Number
Christopher M. Czaja Elizabeth A. Weiner	Beverly Hills, CA	(714) 615-2014 (646) 303-0301
Karla Willard Ron Willard	Aurora, CO	(303) 229-6826 (303) 981-4680
Doug Harris Lori Harris	Naples, FL	(513) 376-2474 (513) 503-2211
Sean Garguilo Stacy Garguilo	Snellville, GA	(770) 401-3356
Jaclyn Kennedy David Kennedy	Reno, NV	(916) 893-5294 (916) 862-4042
Matt Ross	Creskill, NJ	(917) 846-1043
Thomas Vidal	Roslyn Heights, NY	(516) 307-6106
James Northern Shannon Northern	Springboro, OH	(513) 439-3319 (765) 524-6235
Ray Thierrin Sue Thierrin	Allentown, PA	(908) 391-6362 (484) 894-2113
Greg Franklin	Knoxville, TN	(865) 919-0699
Bob Durham Kimberly Durham	Plano, TX	(214) 325-9422
Marla Bailey LaMont Bailey	Sandy, UT	(801) 390-5147 (801) 390-5636
Rock Marasco	Shorewood, WI	(847) 770-5948

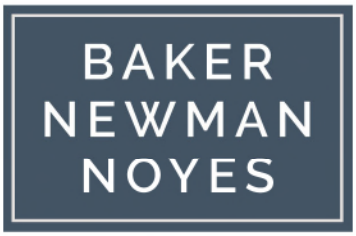
* NOTE: Certain franchisees may have transferred or closed multiple outlets.

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

EXHIBIT E TO
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

(See attached.)



School of Rock Franchising, LLC

Financial Statements

Years Ended December 31, 2022 and 2021
With Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee
School of Rock Franchising, LLC

Opinion

We have audited the accompanying financial statements of School of Rock Franchising, LCC (the Company), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income and member's equity and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Audit Committee
School of Rock Franchising, LLC

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Baker Newman & Noyes LLC

Boston, Massachusetts
April 4, 2023

SCHOOL OF ROCK FRANCHISING, LLC

BALANCE SHEETS

December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 224,630	$ 2,362,775
Accounts receivable, net	1,800,084	1,595,275
Current portion of costs to acquire franchise contract	92,841	86,354
Other current assets	187,518	202,347
Due from member	5,721,435	2,448,146
Total current assets	8,026,508	6,694,897
Cost to acquire franchise contract, less current portion	541,607	501,964
Other assets	18,734	18,734
Total assets	$8,586,849	$ 7,215,595
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 506,120	$ 516,455
Current portion of deferred revenue	1,642,919	1,440,047
Total current liabilities	2,149,039	1,956,502
Long-term liabilities:		
Deferred revenue, less current portion	4,973,506	4,878,943
Member's equity	1,464,304	380,150
Total liabilities and member's equity	$8,586,849	$ 7,215,595

See Independent Auditors' Report and accompanying notes.

SCHOOL OF ROCK FRANCHISING, LLC

STATEMENTS OF INCOME AND MEMBER'S EQUITY

Years Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
Franchise and option fees	$ 1,546,324	$ 1,275,246
Royalties	14,230,498	10,366,008
Other revenues	3,579,456	2,999,266
	19,356,278	14,640,520
Operating expenses:		
Administrative fee charged by member	12,301,617	8,650,447
Professional fees	239,774	306,422
Marketing fees	2,249,059	2,202,878
Other operating expenses	3,484,224	2,720,043
	18,274,674	13,879,790
Income from operations	1,081,604	760,730
Other income	2,550	–
Net income	1,084,154	760,730
Member's equity (deficit), beginning of year	380,150	(380,580)
Member's equity, end of year	$ 1,464,304	$ 380,150

See Independent Auditors' Report and accompanying notes.

SCHOOL OF ROCK FRANCHISING, LLC

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income	$ 1,084,154	$ 760,730
Adjustment to reconcile net income to net cash (used) provided by operating activities:		
Bad debt (recovery) expense	(28,626)	47,741
(Increase) decrease in assets:		
Accounts receivable	(176,183)	(642,291)
Cost to acquire franchise contracts	(46,130)	(3,157)
Other current assets	14,829	2,518
Due from member	(3,273,289)	(286,248)
Other assets	–	660
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(10,335)	288,889
Deferred revenue	297,435	401,513
Net cash (used) provided by operating activities	(2,138,145)	570,355
Net (decrease) increase in cash	(2,138,145)	570,355
Cash and cash equivalents, beginning of year	2,362,775	1,792,420
Cash and cash equivalents, end of year	$ 224,630	$2,362,775

See Independent Auditors' Report and accompanying notes.

1. Nature of Operations

School of Rock Franchising, LLC (the Company) is a single member limited liability company organized under the laws of Pennsylvania. The Company's sole member is School of Rock, LLC. The Company grants franchises for the establishment and operation of a School of Rock (the School) under a franchising agreement. The Company has franchisees that operate both within the United States (U.S.), as well as within foreign countries. Royalties and revenues collected from franchising locations outside the U.S. are less than 10% of the Company's total revenue. The School provides individual and group music lessons and performance experience to students between the ages of toddlers through adults. For the years ended December 31, 2022 and 2021, the Company opened 28 and 25 franchises, respectively. As of December 31, 2022 and 2021 there were 278 and 256 franchise schools in operation.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company maintains cash balances with a financial institution that may at times exceed federal depository insurance limits; however, management believes the credit risk related to these financial institutions is minimal. For purposes of the presentation of cash, the Company's cash equivalents consist of cash in bank and all highly liquid investments with an original maturity of three months or less.

Accounts Receivable

Receivables are unsecured obligations due from franchisees and students under terms requiring payments generally within 15 days from the service date, depending on the franchisee or student. The Company may accrue interest on unpaid receivables. Franchisee or student receivable balances with invoices aged over 30 days are reviewed for delinquency. Management reviews these accounts taking into consideration the size of the outstanding balance and the past history with the franchisee or customer. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected.

Payments on accounts receivable are allocated to specific invoices identified on the franchisee's or customer's remittance advice or, if unspecified, are applied to earliest unpaid invoices.

Changes in the Company's allowance for doubtful accounts are as follows for the years ended December 31:

	2022	2021
Beginning balance	$ 85,189	$ 37,448
Bad debt (recovery) expense	(28,626)	47,741
Ending balance	$ 56,563	$ 85,189

2. Summary of Significant Accounting Policies (Continued)

The following table provides information about receivables from contracts with customers at December 31:

	2022	2021	2020
Accounts receivable	$1,800,084	$1,595,275	$1,000,725

Revenue Recognition

On January 1, 2019, the Company adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). Under this Topic 606, an entity is required to recognize revenue upon transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services.

Franchise and Option Fees

Franchise agreements generally include terms of 10 years, with renewal rights for an additional 15 years. The Company is obligated to provide certain services in connection with the franchise agreements, including providing the franchisee with distinct services such as site selection guidelines, construction project management and architectural review. Additionally, the Company also provides local and digital marketing training and software training. The Company also provides non-distinct support for recurring training, promotional material, pricing analysis, weekly school planning calls and gives up the opportunity to sell the franchise to others.

In accordance with Topic 606, the Company is required to distinguish between certain initial franchise services that are distinct from the continuing rights or service offerings provided during the term of the franchise agreement. The transaction prices for the performance obligations related to the initial franchise services determined to be distinct are recognized when complete and control has been transferred to the franchisee. The remaining performance obligations related to the initial franchise services that are not distinct are to be recognized over the franchise term on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property.

Franchise fees are generally $49,900 and are non-refundable. Fees related to master franchise agreements with international franchises ranged from $80,000 to $445,000 and are non-refundable. Franchise fees are due upon execution of the franchise agreement. Revenue related to the distinct performance obligations is recognized when those performance obligations are complete and have been provided to the franchisee, which generally occurs on or before the opening of the franchised school. Revenue related to the non-distinct performance obligations are considered to be completed and provided to the franchisee over the franchise term. The renewal periods are not included in the franchise term as they are not certain to occur and a franchisee must execute a new agreement once the original term expires.

2. Summary of Significant Accounting Policies (Continued)

Certain franchisees enter into area development agreements. Area development fees are non-refundable and area development agreements require the franchisee to open a specified number of schools in the development area within a specified period of time. If the schools are not opened within the specified time frame, the agreements may be canceled by the Company. Area development fees range from 10% to 20% of the original franchise fee and are due upon execution of the area development agreements. Revenue from area development agreements is deferred and recognized upon the opening of the additional school or at the time the area development agreement expires and is cancelled by the Company.

Deferred revenue and customer deposits consist of monies received for franchisee fees and area development fees in advance of a school's opening and for the performance obligations related to the initial franchise services to be recognized when completed and the franchise fees are recognized over the remaining term of the franchise agreement.

The following table provides information about deferred revenue from contracts with customers at December 31:

	2022	2021	2020
Current portion of deferred revenue	$1,642,919	$1,440,047	$ 654,824
Deferred revenue, less current portion	4,973,506	4,878,943	5,262,653
	$6,616,425	$6,318,990	$5,917,477

Royalties

In accordance with the terms of their franchise agreements, franchisees are charged a monthly royalty typically ranging from 2.4% to 11.0% of gross sales, which includes a required contribution of up to 3% of gross sales to the Company's national advertising fund. Revenue is recognized when earned.

Other Revenues

Other revenues include touring revenue, licensing fees, and amounts charged to franchisees for website maintenance and software license fees. Licensing, maintenance and software fees are charged monthly to the franchisee and are recognized when earned. Any amounts collected for touring revenue are recognized when the event takes place.

The Company reports revenue net of sales taxes collected from customers and remitted to governmental taxing authorities.

Additionally, the Company provides commissions to sales people in the form of cash. The Company's intent in providing such consideration is to drive new unit development that will result in higher future revenues for the Company. Commission payments are capitalized and presented on the Company's balance sheet. These capitalized balances are being amortized over the period of expected cash flows from the franchise agreements to which the payment relates. The Company paid $171,590 and $101,177 in commission for the years ended December 31, 2022 and 2021, respectively. The Company recorded commission expense of $113,627 and $98,020 for the years ended December 31, 2022 and 2021, respectively.

2. Summary of Significant Accounting Policies (Continued)

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense approximated $2,249,000 and $2,203,000 for the years ended December 31, 2022 and 2021, respectively.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company was formed as a limited liability company and is treated as a partnership for income tax purposes. In lieu of corporate income taxes, the Member is taxed for its pro rata share of the Company's items of income, deductions, losses, and credits. As a result, no federal income taxes have been recognized in the accompanying financial statements; however, the Company may be responsible for income taxes in certain states.

Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2022 and 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability in the accompanying consolidated balance sheets. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Company's policy is to recognize any interest or penalties in interest expense and income tax expense, respectively.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Company on January 1, 2022, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. An entity that elects to apply the practical expedients will, in effect, continue to account for leases that start before the effective date in accordance with previous methodology unless the lease is modified, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous lease accounting rules. The Company does not have any leases, therefore there is no impact on the financial statements.

2. Summary of Significant Accounting Policies (Continued)

In 2021, the FASB issued ASU No. 2021-02, *Franchisors – Revenue from Contracts with Customers (Subtopic 952-606)* (ASU 2021-02). This guidance introduces a new practical expedient that simplifies the application of the guidance about identifying performance obligations. The practical expedient permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company's adoption of this guidance had no impact on the Company's accounting policy in regard with the amount and timing for revenue recognition related to the pre-opening services and performance obligations.

Risks and Uncertainties

The continued outbreak of the coronavirus disease (COVID-19) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments, nor the impact on the financial position and financial results of the Company in future periods.

Subsequent Events

Management has evaluated subsequent events through April 4, 2023, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

3. Summary of Franchise Outlets

The following is a summary of changes in the number of franchise outlets:

	2022	2021
Franchised schools operating at the beginning of the year	256	232
New franchised schools opened during the year	28	25
Franchised schools converted to Member-owned schools	(4)	–
Franchised schools converted from Member-owned schools	1	2
Franchised schools closed during the year	(3)	(3)
Franchised schools operating at the end of the year	278	256

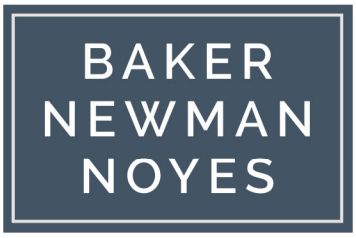
4. Related Party Transactions

For the years ended December 31, 2022 and 2021, the Member charged the Company an administrative fee for certain salaries and benefits, marketing and overhead costs totaling $12,301,617 and $8,650,447, respectively. In both 2022 and 2021, the administrative fee was determined based on the percentage of time member employees spent on activities pertaining to the Company. As of December 31, 2022 and December 31, 2021, the Company had a due from its member totaling $5,721,435 and $2,448,146.

5. Risks and Uncertainties

Contingencies

From time to time, the Company is involved in various legal matters, which are defended and handled in the ordinary course of business. None of these matters are expected to result in a judgment having a material adverse effect on the financial position or results of operations of the Company.



School of Rock Franchising, LLC

Financial Statements

Years Ended December 31, 2021 and 2020
With Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee
School of Rock Franchising, LLC

Opinion

We have audited the accompanying financial statements of School of Rock Franchising, LCC (the Company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income and member's equity (deficit) and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Audit Committee
School of Rock Franchising, LLC

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Baker Newman & Noyes LLC

Boston, Massachusetts
April 1, 2022

SCHOOL OF ROCK FRANCHISING, LLC

BALANCE SHEETS

December 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$2,362,775	$ 1,792,420
Accounts receivable, net	1,595,275	1,000,725
Current portion of costs to acquire franchise contract	86,354	84,369
Other current assets	202,347	204,865
Due from member	2,448,146	2,161,898
Total current assets	6,694,897	5,244,277
Cost to acquire franchise contract, less current portion	501,964	500,792
Other assets	18,734	19,394
Total assets	$7,215,595	$ 5,764,463
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 516,455	$ 227,566
Current portion of deferred revenue	1,440,047	654,824
Total current liabilities	1,956,502	882,390
Long-term liabilities:		
Deferred revenue, less current portion	4,878,943	5,262,653
Member's equity (deficit)	380,150	(380,580)
Total liabilities and member's equity (deficit)	$7,215,595	$ 5,764,463

See Independent Auditors' Report and accompanying notes.

SCHOOL OF ROCK FRANCHISING, LLC

STATEMENTS OF INCOME AND MEMBER'S EQUITY (DEFICIT)

Years Ended December 31, 2021 and 2020

	2021	2020
Revenues:		
Franchise and option fees	$ 1,275,246	$ 1,559,097
Royalties	10,366,008	7,216,310
Other revenues	2,999,266	2,158,008
	14,640,520	10,933,415
Operating expenses:		
Administrative fee charged by member	8,650,447	6,157,884
Professional fees	306,422	438,098
Marketing fees	2,202,878	1,183,366
Other operating expenses	2,720,043	1,975,911
	13,879,790	9,755,259
Net income	760,730	1,178,156
Member's deficit, beginning of year	(380,580)	(1,558,736)
Member's equity (deficit), end of year	$ 380,150	$ (380,580)

See Independent Auditors' Report and accompanying notes.

SCHOOL OF ROCK FRANCHISING, LLC

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Net income	$ 760,730	$1,178,156
Adjustment to reconcile net income to net cash provided by operating activities:		
Bad debt expense	47,741	10,386
(Increase) decrease in assets:		
Accounts receivable	(642,291)	43,361
Cost to acquire franchise contracts	(3,157)	31,891
Other current assets	2,518	5,541
Due from member	(286,248)	(239,214)
Other assets	660	(14,151)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	288,889	(215,955)
Deferred revenue	401,513	135,837
Net cash provided by operating activities	570,355	935,852
Net increase in cash	570,355	935,852
Cash and cash equivalents, beginning of year	1,792,420	856,568
Cash and cash equivalents, end of year	$ 2,362,775	$1,792,420

See Independent Auditors' Report and accompanying notes.

1. Nature of Operations

School of Rock Franchising, LLC (the Company) is a single member limited liability company organized under the laws of Pennsylvania. The Company's sole member is School of Rock, LLC. The Company grants franchises for the establishment and operation of a School of Rock (the School) under a franchising agreement. The Company has franchisees that operate both within the United States (U.S.), as well as within foreign countries. Royalties and revenues collected from franchising locations outside the U.S. are less than 10% of the Company's total revenue. The School provides individual and group music lessons and performance experience to students between the ages of toddlers through adults. For the years ended December 31, 2021 and 2020, the Company opened 25 and 27 franchises, respectively. As of December 31, 2021 and 2020 there were 256 and 232 franchise schools in operation.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company maintains cash balances with a financial institution that may at times exceed federal depository insurance limits; however, management believes the credit risk related to these financial institutions is minimal. For purposes of the presentation of cash, the Company's cash equivalents consist of cash in bank and all highly liquid investments with an original maturity of three months or less.

Accounts Receivable

Receivables are unsecured obligations due from franchisees and students under terms requiring payments generally within 15 days from the service date, depending on the franchisee or student. The Company may accrue interest on unpaid receivables. Franchisee or student receivable balances with invoices aged over 30 days are reviewed for delinquency. Management reviews these accounts taking into consideration the size of the outstanding balance and the past history with the franchisee or customer. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected.

Payments on accounts receivable are allocated to specific invoices identified on the franchisee's or customer's remittance advice or, if unspecified, are applied to earliest unpaid invoices.

Changes in the Company's allowance for doubtful accounts are as follows for the years ended December 31:

	2021	2020
Beginning balance	$37,448	$27,062
Bad debt expense	47,741	10,386
Ending balance	$85,189	$37,448

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

On January 1, 2019, the Company adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). Under this Topic 606, an entity is required to recognize revenue upon transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services.

Franchise and Option Fees

Franchise agreements generally include terms of 10 years, with renewal rights for an additional 15 years. The Company is obligated to provide certain services in connection with the franchise agreements, including providing the franchisee with distinct services such as site selection guidelines, construction project management and architectural review. Additionally, the Company also provides local and digital marketing training and software training. The Company also provides non-distinct support for recurring training, promotional material, pricing analysis, weekly school planning calls and gives up the opportunity to sell the franchise to others.

In accordance with Topic 606, the Company is required to distinguish between certain initial franchise services that are distinct from the continuing rights or service offerings provided during the term of the franchise agreement. The transaction prices for the performance obligations related to the initial franchise services determined to be distinct are recognized when complete and control has been transferred to the franchisee. The remaining performance obligations related to the initial franchise services that are not distinct are to be recognized over the franchise term on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property.

Franchise fees are generally $49,900 and are non-refundable. Fees related to master franchise agreements with international franchises ranged from $80,000 to $445,000 and are non-refundable. Franchise fees are due upon execution of the franchise agreement. Revenue related to the distinct performance obligations is recognized when those performance obligations are complete and have been provided to the franchisee, which generally occurs on or before the opening of the franchised school. Revenue related to the non-distinct performance obligations are considered to be completed and provided to the franchisee over the franchise term. The renewal periods are not included in the franchise term as they are not certain to occur and a franchisee must execute a new agreement once the original term expires.

Certain franchisees enter into area development agreements. Area development fees are non-refundable and area development agreements require the franchisee to open a specified number of schools in the development area within a specified period of time. If the schools are not opened within the specified time frame, the agreements may be canceled by the Company. Area development fees range from 10% to 20% of the original franchise fee and are due upon execution of the area development agreements. Revenue from area development agreements is deferred and recognized upon the opening of the additional school or at the time the area development agreement expires and is cancelled by the Company.

2. Summary of Significant Accounting Policies (Continued)

Deferred revenue and customer deposits consist of monies received for franchisee fees and area development fees in advance of a school's opening and for the performance obligations related to the initial franchise services to be recognized when completed and the franchise fees are recognized over the remaining term of the franchise agreement.

Royalties

In accordance with the terms of their franchise agreements, franchisees are charged a monthly royalty typically ranging from 1% to 11% of gross sales, which includes a required contribution of up to 3% of gross sales to the Company's national advertising fund. Revenue is recognized when earned.

Other Revenues

Other revenues include touring revenue, licensing fees, and amounts charged to franchisees for website maintenance and software license fees. Licensing, maintenance and software fees are charged monthly to the franchisee and are recognized when earned. Any amounts collected for touring revenue are recognized when the event takes place.

The Company reports revenue net of sales taxes collected from customers and remitted to governmental taxing authorities.

Additionally, the Company provides commissions to sales people in the form of cash. The Company's intent in providing such consideration is to drive new unit development that will result in higher future revenues for the Company. Commission payments are capitalized and presented on the Company's balance sheet. These capitalized balances are being amortized over the period of expected cash flows from the franchise agreements to which the payment relates. The Company paid $101,177 and $88,784 in commission for the years ended December 31, 2021 and 2020, respectively. The Company recorded commission expense of $98,020 and $120,675 for the years ended December 31, 2021 and 2020, respectively.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense approximated $2,203,000 and $1,183,000 for the years ended December 31, 2021 and 2020, respectively.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Company was formed as a limited liability company and is treated as a partnership for income tax purposes. In lieu of corporate income taxes, the Member is taxed for its pro rata share of the Company's items of income, deductions, losses, and credits. As a result, no federal income taxes have been recognized in the accompanying financial statements. However, the Company may be responsible for income taxes in certain states.

Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2021 and 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability in the accompanying consolidated balance sheets. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Company's policy is to recognize any interest or penalties in interest expense and income tax expense, respectively.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Company on January 1, 2022, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. An entity that elects to apply the practical expedients will, in effect, continue to account for leases that start before the effective date in accordance with previous methodology unless the lease is modified, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous lease accounting rules. The Company is currently evaluating the impact of the pending adoption of ASU 2016-02 on its financial statements.

In 2021, the FASB issued ASU No. 2021-02, *Franchisors – Revenue from Contracts with Customers (Subtopic 952-606)* (ASU 2021-02). This guidance introduces a new practical expedient that simplifies the application of the guidance about identifying performance obligations. The practical expedient permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. This guidance does not have an impact on the Company's accounting policy in regard with the amount and timing for revenue recognition related to the pre-opening services and performance obligations.

2. Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

The continued outbreak of the coronavirus disease (COVID-19) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments, nor the impact on the financial position and financial results of the Company in future periods.

Subsequent Events

Management has evaluated subsequent events through April 1, 2022, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

3. Summary of Franchise Outlets

The following is a summary of changes in the number of franchise outlets:

	2021	2020
Franchised schools operating at the beginning of the year	232	218
New franchised schools opened during the year	25	27
Franchised schools converted to Member-owned schools	–	(7)
Franchised schools converted from Member-owned schools	2	1
Franchised schools closed during the year	(3)	(7)
Franchised schools operating at the end of the year	256	232

4. Related Party Transactions

For the years ended December 31, 2021 and 2020, the Member charged the Company an administrative fee for certain salaries and benefits, marketing and overhead costs totaling $8,650,446 and $6,157,884, respectively. In both 2021 and 2020, the administrative fee was determined based on the percentage of time member employees spent on activities pertaining to the Company. As of December 31, 2021 and December 31, 2020, the Company had a due from its Member totaling $2,448,146 and $2,161,898.

5. Risks and Uncertainties

Contingencies

From time to time, the Company is involved in various legal matters, which are defended and handled in the ordinary course of business. None of these matters are expected to result in a judgment having a material adverse effect on the financial position or results of operations of the Company.

Uninsured Cash

The Company maintains cash balances at a financial institution located in the United States. The cash balances are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain amounts prescribed by law. The Company may, from time to time, have balances in excess of FDIC insured deposit limits.

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

($ 000's)	2/28/2023 Year-To-Date Actual
Revenue	
Initial Franchise Fees	248
Franchise Royalties	2,055
Franchise Advertising Fee	720
Billable Expense	163
Franchise Method App Rev	441
Other Revenue	0
Total Revenue	**3,627**
Cost of Goods Sold	
Franchise Method App Costs	441
Corporate	0
Total Cost of Goods Sold	**441**
Gross Margin	**3,186**
% of Revenue	***87.8%***
General & Administrative Expenses	
Franchise Commissions	18
T&E	11
Professional Fees	31
Marketing	592
Other Expenses	873
Total General & Administrative	**1,526**
Adjusted EBITDA	**1,660**
% of Revenue	***45.8%***
Adjustments	41
Stock Options	-
GAAP EBITDA	**1,619**
Depreciation & Amortization	6
Other (Income)/Expense	(1)
Interest Expense (Income)	-
Taxes	6
Net Income	**1,609**
% of Revenue	***44.4%***

($ 000's)		2/28/2023 Actual Feb 23
Assets		
Cash	$	555
Accounts Receivable		2,177
Prepaid Expenses		248
Intercompany Elimination		6,710
Other Current Assets		93
Total Current Assets		9,783
Property and Equipment, Net		(3)
Intangible, Net		19
Other LT Assets		542
Total LT Assets		558
Total Assets	**$**	**10,340**
Liabilities and Equity		
Accounts Payable	$	296
Accrued Expenses		237
Unearned Revenue		6,734
Total Current Liabilities		7,268
Total Long Term Liabilities		-
Total Equity		3,073
Total Liabilities and Equity	**$**	**10,340**
Check		-

($ 000's)	2/28/2023 Year-To-Date Actual
Cash Flow From Operating Activities	
Net Income (Loss)	$ 1,609
Depreciation & Amortization	6
Changes In Operating Assets and Liabilities	
Accounts Receivable	(377)
Prepaid Expenses and Other Current Assets	(1,049)
Other Assets	(0)
Notes Receivable	-
Accounts Payable and Accrued Expenses	27
Deferred Revenue	118
Cash Flow From Operating Activities	**$ 333**
Cash Flow From Investing Activities	
Capital Expenditures	(3)
Cash Flow From Investing Activities	**(3)**
Cash Flow From Financing Activities	**-**
Beginning Cash Balance	225
Change in Cash	330
Ending Cash Balance	**$ 555**
Cash From Balance Sheet	555
Check	(0.00)

EXHIBIT F TO
FRANCHISE DISCLOSURE DOCUMENT

SCHOOL OF ROCK DEVELOPMENT AGREEMENT

(See attached.)

SCHOOL OF ROCK

DEVELOPMENT AGREEMENT

SCHOOL OF ROCK
DEVELOPMENT AGREEMENT

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SCHOOL OF ROCK
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "**Agreement**") is made as of the Effective Date, between **SCHOOL OF ROCK FRANCHISING, LLC**, a Pennsylvania limited liability company with its principal place of business at 1 Wattles Street, Canton, MA 02021 ("**we**," "**us**" or "**our**"), and _____ a(n) _____ _____ with its principal place of business [or principal residence] at _____ _____ ("**you**" or "**your**"). The "**Effective Date**" is the date we sign this Agreement, as indicated below our signature on the signature page.

RECITALS

A. We and our affiliates have devoted time, skill, effort, and money to develop, and may continue to develop, a distinctive system (the "**System**") relating to the establishment, operation and franchising of performance-based music schools (each a "**School of Rock Business**") that are required to operate pursuant to system standards that we designate from time to time and that are identified by certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including the marks "School of Rock," "School of Rock Music," "The School of Rock AllStars," "The Rock School Venue," "Little Wing," and the School of Rock logo, as we designate, in writing, from time to time (collectively, the "**Proprietary Marks**").

B. School of Rock Businesses generally offer a rock music program that provides, among other things, individual music lessons, group rehearsals, performance experience, exclusive, limited access to the school and school equipment during business hours, and branded merchandise. The System includes a method for teaching students through performing in front of a paying audience in a real rock venue, the use of proprietary technology to enhance the teaching of students, an organization of regional groups of elite students known as "The School of Rock AllStars," and an optional program for providing music instruction to young children under the mark "Little Wing" ("**Little Wing Program**"). Although School of Rock programs are principally designed to be delivered as in-person experiences, franchisees may be required or permitted to conduct individual and group lessons, rehearsals, live performances, and other programs remotely, through approved video conferencing and live streaming solutions. We may change, improve and further develop the System from time to time.

C. You have requested that we grant you the right to enter into Franchise Agreements with us to develop, own and operate multiple School of Rock Businesses. We are willing to grant you those rights, as described in this Agreement, in reliance on all of the information, representations, warranties and acknowledgements you and your owners (if you are a legal entity) have provided to us in support of your request.

IN CONSIDERATION of the covenants herein contained and other valuable consideration, receipt and sufficiency of which are acknowledged, you and we agree as follows:

1. GRANT

1.1 Grant of Development Rights. We grant you the right, and you undertake the obligation, pursuant to the terms and conditions of this Agreement, to enter into Franchise Agreements for the number of School of Rock Businesses identified in the development schedule set forth in Exhibit B (the "**Development Schedule**") and to develop, own and operate, under each such Franchise Agreement, a School of Rock Business to be located in the area described in Exhibit B (the "**Development Area**"). The rights granted under this Section are referred to as the "**Development Rights**." Recognizing that time is of the essence, you agree to exercise the Development Rights such that you develop, open and operate in the Development Area the number of School of Rock Businesses designated in and strictly in accordance with the Development Schedule. You agree that this Agreement is not a franchise agreement and that the Development Rights do not include any right to use in any manner our Proprietary Marks or System, all such rights being granted under the Franchise Agreements only.

1.2 Franchise Agreements. Each Franchise Agreement to be executed pursuant to this Agreement will be the form of Franchise Agreement we are using, at the time of its execution, to grant franchises for School of Rock Businesses generally. As a result, the forms of Franchise Agreement that you execute in exercising the Development Rights may be materially different from the form of Franchise Agreement that is attached as Exhibit C, except that the initial franchise fee shall remain $49,900, the continuing royalty fee shall remain 8% of Gross Sales, and the ongoing advertising fee shall remain 3% of Gross Sales.

1.3 Exclusivity. Provided you are in compliance with your obligations under this Agreement and under each Franchise Agreement between you and us, and except as otherwise provided in this Agreement, during the Term (defined below) of this Agreement, we will not establish or operate, nor license any party other than you to establish or operate, any School of Rock Business under the System and the Proprietary Marks at any location within the Development Area.

1.4 Reservation of Rights. We grant Development Rights and the rights to develop and operate School of Rock Businesses only pursuant to the express terms of written agreements and not orally. All rights that are not granted to you in this Agreement or under Franchise Agreements entered into between us and you are specifically reserved to us, and we will not be restricted in any manner from exercising them nor will we be required to compensate you should we exercise them. This includes the right, directly or through others and regardless of either (a) proximity to the Development Area or any School of Rock Business or (b) any actual or threatened impact on sales of any School of Rock Business, to:

1.4.1 use the Proprietary Marks and System in connection with establishing and operating School of Rock Businesses at any location outside the Development Area;

1.4.2 use the Proprietary Marks or other marks in connection with selling or distributing any goods (including branded merchandise) or services anywhere in the world (including within the Development Area), whether or not you also offer them, through channels of distribution other than a School of Rock Business (including, for example, other permanent or temporary retail locations, kiosks, catalogs, mail order, or the internet or other electronic means);

1.4.3 acquire, establish or operate, without using the Proprietary Marks, any business of any kind at any location anywhere in the world (including within the Development Area);

1.4.4 use the Proprietary Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Development Area);

1.4.5 use the Proprietary Marks to perform, organize, sponsor, host or support any show, concert, or other live performance anywhere in the world (including within the Development Area);

1.4.6 enter into arrangements with international, national, or regional, franchised or non-franchised chains of independent facilities, such as pre-schools, day care centers, children's camps, and such other locations we reasonably designate from time to time in the Manuals or otherwise in writing (the "**Independent Facilities**") or similar parties (together with the Independent Facilities, "**National Accounts**") to permit them to offer and sell the Little Wing Program, within or outside the Territory, without any compensation to you; provided, however, that if we enter into any agreement with a National Account to provide products or services under the Little Wing Program at one or more Independent Facilities in your Territory, and you have chosen to offer the Little Wing Program in a Territory (as defined in the Franchise Agreement) that includes such facility, then we reserve the right to require you to offer, and you agree to offer, the Little Wing Program at such facilities on the same terms and conditions (including price terms) as we require, based on our agreement with such National Account; and

1.4.7 offer, or allow others to offer, the Little Wing™ Program anywhere in your Development Area, except as otherwise provided by a Franchise Agreement you have entered into hereunder.

2. DEVELOPMENT FEE

2.1 Development Fee. In consideration of the grant of the Development Rights, you shall pay us, upon your execution of this Agreement, a development fee of $_____ (the "**Development Fee**"), which is equal to $24,950 (50% of the current initial franchise fee) multiplied by the total number of School of Rock Businesses you are obligated to establish under the Development Schedule. The Development Fee is fully earned and non-refundable upon your execution of this Agreement in consideration of the administrative and other expenses we incur and for the development opportunities lost or deferred as a result of our granting the Development Rights to you.

2.2 Initial Franchise Fee Credit. Except as otherwise provided herein, we will apply the Development Fee as a credit against the initial franchise fees payable under each Franchise Agreement executed pursuant to this Agreement, subject to a maximum credit under any Franchise Agreement of $24,950 and a maximum credit for all such Franchise Agreements, in the aggregate, of the total amount of the Development Fee.

3. DEVELOPMENT OBLIGATIONS

3.1 Adherence to Development Schedule. Each period described in the Development Schedule is a "**Development Period**." You must sign Franchise Agreements for, and open and operate, School of Rock Businesses in the Development Area to satisfy the requirements of each Development Period. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of School of Rock Businesses specified in the Development Schedule or during any particular Development Period. We are relying on your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under each Development Period of the Development Schedule.

3.2 Execution of Franchise Agreements. In exercising the Development Rights and fulfilling your development obligations under this Agreement, you shall execute a Franchise Agreement for each School of Rock Business at a site we approve ("**Approved Location**") within in the Development Area. The Franchise Agreement for the first School of Rock Business developed hereunder shall be in the form of the Franchise Agreement attached as Exhibit C and shall be executed concurrently with this Agreement. Thereafter, you will execute our then-current form of Franchise Agreement after we have approved the site in accordance with Section 3.3 below but before you sign a lease for, or otherwise secure, the right to occupy the approved site.

3.3 Site Approval. Prior to your acquisition by lease or purchase of any site for a School of Rock Business, you must submit to us such information or materials as we may reasonably require for our approval of the site, including a letter of intent or other evidence satisfactory to us that confirms your favorable prospects for obtaining the proposed site. We will endeavor to notify you of our approval or rejection of the site, in our discretion, within 30 days after our receipt of all such information and materials. No proposed site will be deemed approved unless it has been expressly approved by us in writing. Our approval of any lease will be conditioned on the inclusion of the terms set forth in Section 3.4 below. You acknowledge and agree that our approval of a site for a School of Rock Business is entirely for our own purposes and does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the School of Rock Business or for any other purpose or the site's compliance with any federal, state or local laws, codes, or regulations, including the applicable provisions of the Americans with Disabilities Act, regarding the construction, design, or operation of the School of Rock Business. Our approval of the site indicates only that we believe it meets our acceptable minimum criteria established solely for our purposes as of the time of the evaluation. You understand that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to our approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from our criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond our control. We shall not be responsible for the failure of a site we approve to meet your expectations as to revenue or operational criteria.

3.4 Lease of Approved Location. We have the right to approve the terms of any lease or sublease for the Approved Location (the "**Lease**") before you sign it. Our approval of any Lease will be subject to your compliance with the terms and conditions of this Section 3.4. The

Lease must contain certain provisions we require for our own purposes, including the following: (a) that the initial term of the lease, or the initial term together with renewal terms, shall be for not less than ten (10) years; (b) that the lessor consents to your use of such Proprietary Marks and initial signage as we may require for the School of Rock Business; (c) that the lessor and you agree to include in the lease our standard Lease Rider, which is attached to the Franchise Agreement; (d) that the use of the Premises be restricted solely to the operation of the School of Rock Business; (e) that you be prohibited from subleasing or assigning all or any part of your occupancy rights or extending the term of or renewing the lease without our prior written consent; (f) that the lessor provide to us copies of any and all notices of default given to you under the lease; (g) that we have the right to enter the Premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under the Franchise Agreement or under the lease; and (h) that we have the option, upon default, expiration or termination of the Franchise Agreement, and upon notice to the lessor, to assume all of your rights under the lease terms, including the right to assign or sublease.

4. TERM

4.1 Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as provided in this Agreement, shall expire on the earlier of: (1) the end of the last Development Period in the Development Schedule; or (2) the date when you have signed the Franchise Agreement for the last School of Rock Business required to be open under the Development Schedule.

5. DUTIES OF THE PARTIES

5.1 Our Obligations. We will do the following:

5.1.1 Provide such site selection guidelines and consultation as we deem advisable;

5.1.2 Review the information provided by you pursuant to Section 3.3 above for our approval of a site for the School, and conduct such on-site evaluations as we deem necessary in our discretion; you will be responsible for all of our out-of-pocket costs and expenses for such on-site evaluations; and

5.1.3 Provide such assistance for lease negotiation as we deem advisable in our discretion.

5.2 Your Obligations. In addition to your obligations with respect to exercise of the Development Rights, you must do the following:

5.2.1 If you are not an individual, you must:

5.2.1.1 Be newly organized and your charter shall at all times provide that your activities are confined exclusively to developing and operating School of Rock Businesses;

5.2.1.2 Promptly provide us with any as-filed copies of any amendments to your articles of formation and amendments to your bylaws or other governing documents;

5.2.1.3 Note on any equity certificates that such ownership is subject to the transfer restrictions set forth in this Agreement;

5.2.1.4 Maintain a current list of all owners of record and all beneficial owners of any class of your voting securities or securities convertible into voting securities and furnish the list to us upon request; and

5.2.1.5 Have all of your owners execute a Guarantee, Indemnification, and Acknowledgment in the form attached hereto as Exhibit E-1, and the owners' spouses execute a Guarantee, Indemnification, and Acknowledgment in the form attached hereto as Exhibit E-2.

5.2.2 You must comply with all requirements of federal, state, and local laws, rules, and regulations.

5.2.3 You must comply with all of the other terms, conditions and obligations which apply to you under this Agreement.

5.2.4 You must provide us with the following records and reports in the form and format that we reasonably specify, delivered to us in the manner we specify:

5.2.4.1 within 7 days after the end of each month during the Term, or such other time period as we may require in our discretion, you must send us a report of your business activities during that month (or other time period), including information about your efforts to find sites for School of Rock Businesses in the Development Area and the status of development and projected openings for each School of Rock Business under development in the Development Area;

5.2.4.2 within 28 days after the end of each calendar quarter, you must provide us with your balance sheet and a profit and loss statement covering that quarter and the year-to-date; and

5.2.4.3 within 60 days after the end of each calendar year, you must provide us with an annual profit and loss and source and use of funds statements and a balance sheet for you and your Affiliates covering the previous year.

6. DEFAULT AND TERMINATION

6.1 Automatic Termination. This Agreement, and all rights granted herein, shall automatically and without notice terminate if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and consented to by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your business or assets or any part thereof is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); if execution is levied against your business or assets; if suit to foreclose any lien or mortgage against the premises or equipment is

instituted against you and not dismissed within 30 days; or if the real or personal property of any of your School of Rock Businesses shall be sold after levy thereupon by any sheriff, marshal or constable.

6.2 Termination Upon Notice With Opportunity to Cure. For each of the defaults listed in this Section 6.2, we will give you written notice of such default (in the manner set forth under Section 9) and an opportunity to cure such default within 30 days of your receipt of such notice. We will have the right to terminate this Agreement immediately upon notice to you if you fail to cure any default to our satisfaction and provide proof of such cure within the 30-day period. If applicable law requires a longer cure period, such period shall apply to our notice of default. Defaults which are susceptible of cure hereunder include the following:

6.2.1 Failure to promptly provide us with any documents required under Section 5.2.1;

6.2.2 Failure to comply with all requirements of federal, state, and local laws, rules, and regulations in accordance with Section 5.2.2; and

6.2.3 Failure to provide us with the records and reports required by Section 5.2.4.

6.3 Our Rights Upon Your Default. Except as otherwise provided in Sections 6.1 and 6.2, upon any other default by you, including your failure to comply with the Development Schedule and any transfer or assignment made in violation of Section 7.2, or if you fail to timely cure any default under Section 6.2, we will have the right, in our discretion, to:

6.3.1 terminate this Agreement and all rights granted hereunder without affording you any opportunity to cure the default, effective immediately upon receipt by you of written notice;

6.3.2 terminate the territorial protection granted under Section 1.3, and we will have the right to establish and operate, and license others to establish and operate, School of Rock Businesses within the Development Area;

6.3.3 terminate the initial franchise fee credit provided under Section 2.2 hereof;

6.3.4 reduce the number of School of Rock Businesses which you have the right to develop pursuant to the Development Schedule;

6.3.5 reduce the size of the Development Area;

6.3.6 withhold evaluation or approval of site proposal packages and refuse to approve the opening of any School of Rock Businesses to be developed hereunder; and

6.3.7 accelerate the Development Schedule.

6.4 Obligations Upon Termination or Expiration. Upon termination or expiration of this Agreement, you shall have no right to establish or operate any School of Rock Businesses for which a Franchise Agreement has not then been executed by us at the time of termination. We will have the right to establish and operate, and to license others to establish and operate,

School of Rock Businesses under the System and the Proprietary Marks in the Development Area, except as may be otherwise provided under any Franchise Agreement which has been executed by you and us.

6.5 Cross-Default. No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto unless the basis for such default is also a basis for a default under the terms of the Franchise Agreement. Default under this Agreement shall constitute a default under any other development agreement between you or your affiliates and us.

6.6 No Exclusive Right or Remedy. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or equity.

7. TRANSFERS

7.1 Our Right to Transfer. We shall have the right to transfer or assign this Agreement, and assign or delegate all or any part of our rights or obligations under this Agreement, to any person or legal entity, and any designated assignee of ours shall become solely responsible for all of our obligations under this Agreement from the date of the assignment. You shall execute such documents of attornment or other documents as we may request.

7.2 Your Conditional Right to Transfer. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted the Development Rights in reliance on your or your owners' business skill, financial capacity and personal character. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any person or entity which directly or indirectly owns any interest in you or in the School of Rock Businesses developed hereunder, shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") this Agreement, any direct or indirect interest in you, or in all or substantially all of the assets of the School of Rock Businesses developed hereunder without our prior written consent, which we may grant or withhold in our discretion. Any purported assignment or transfer not having our prior written consent shall be null and void and shall constitute a material breach of this Agreement, for which we may immediately terminate without opportunity to cure. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or at law or in equity.

7.3 Conditions of Transfer. If you or your owners propose to make a transfer, you shall notify us in writing at least 30 days before such transfer is proposed to take place. Should we elect to approve a proposed transfer, we may make our approval subject to certain conditions that we designate, including that:

7.3.1 all of your and your affiliates' accrued monetary obligations and all other outstanding obligations to us and our affiliates have been satisfied;

7.3.2 you and your affiliates are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or your affiliates and us or our affiliates;

7.3.3 the transferor shall have executed a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and our and their respective officers, directors, agents, shareholders, and employees;

7.3.4 the transferor and transferee have executed a mutual general release, relieving all claims against each other, excluding only such claims relating to any provision or covenant of this Agreement which imposes obligations beyond the expiration of this Agreement;

7.3.5 the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as we may request) either (a) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement, or (b) execute, for a term ending on the expiration date of this Agreement, our then-current form of development agreement and other ancillary agreements as we may require, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, except that the Development Area and Development Schedule thereunder shall be the same as in this Agreement;

7.3.6 the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as we may request) demonstrate to our satisfaction that it meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to develop the School of Rock Businesses; has adequate financial resources and capital to develop the School of Rock Businesses; has not operated a business in competition with us; and that, if the proposed transferee or one or more of its owners is an existing School of Rock developer, we have determined, in our sole and absolute discretion, that such sale or transfer would not lead to an impermissible concentration of Schools in a particular developer or owner that may, in our business judgment, be detrimental to the School of Rock franchisee system;

7.3.7 the transferor remains liable for all of the obligations of transferor prior to the effective date of the transfer and executes any and all instruments reasonably requested by us to evidence such liability;

7.3.8 each School of Rock Business which has opened and been approved for operation by us is in full compliance with all the conditions and terms of the applicable Franchise Agreements;

7.3.9 you shall pay to us a transfer fee as follows: if there is a proposed transfer of (i) less than fifty percent (50%) of the ownership interests in you (if you are a corporation, limited liability company, or a partnership), then you must pay to us a transfer fee which is equal to the greater of $2,500 or the mathematical product of the total ownership percentage in you being transferred multiplied by an amount equal to one-third (1/3) of our then-current initial franchise fee; or (ii) fifty percent (50%) or more of the ownership interests in you (if you are a corporation, limited liability company, or a partnership), all your assets, or a transfer or assignment of this Agreement, then you must pay to us a transfer fee in an amount equal to one-third (1/3) of our then-current initial franchise fee; and

7.3.10 the transferor shall have first offered to sell such interest to us pursuant to Section 7.5 hereof.

7.4 No Security Interest. You shall not grant a security interest in this Agreement or the Development Rights.

7.5 Our Right of First Refusal. If you or any party restricted under Section 7.2 proposes to make a transfer, your request for our consent to the proposed transfer shall include a copy of any proposed purchase agreement. You shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within 30 days after receipt of such written notification, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by or offered to the third party. If we elect to purchase the seller's interest, closing on such purchase shall occur within 60 days from the date of our notice to the seller of our election to purchase. If we elect not to purchase the seller's interest, any material change thereafter in the terms of the offer to or from a third party shall constitute a new offer subject to our same rights of first refusal as in the case of the third party's initial offer. Our failure to exercise the option afforded by this Section 7.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 7, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are not for a cash sum, and are such that we may not reasonably be able to furnish the same consideration, terms and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by us at our expense, and the appraiser's determination shall be binding.

7.6 Death or Mental Incapacity. Upon your death or physical or mental incapacity, or that of any owner holding at least twenty-five (25%) of your ownership interests (if you are not an individual), the executor, administrator, or personal representative of you or such person, as applicable, shall transfer such interest to a third party acceptable to us within six (6) months after such death or mental incapacity. Such transfers, including transfers by devise or inheritance, shall be subject to the same conditions as described in Section 7.2 and Section 7.3. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of you or such person are unable to meet the conditions in this Section 7, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party acceptable to us within six (6) months, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within six (6) months, we may terminate this Agreement, pursuant to Section 6 hereof.

7.7 Public or Private Offerings. You acknowledge that the written information used to raise or secure funds can reflect upon us and the System. You shall submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn. Notwithstanding the foregoing, you acknowledge and agree that you may not engage in a public offering of securities without our prior consent.

7.8 Non-waiver. Our consent to a proposed transfer shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our

right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

8. COVENANTS

8.1 Best Efforts. You covenant that during the Term, except as otherwise approved in writing by us, you (or, if you are a legal entity, an owner of yours approved by us), or your full-time development manager, shall devote full time, energy, and best efforts to fulfilling your obligations under this Agreement, including the development of the School of Rock Businesses pursuant to the Development Schedule.

8.2 Confidential Information. You shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the methods of operation of any business developed hereunder, including any operations manuals, curricula, customer lists and information, teaching methods and materials, innovations, ideas, plans, trade secrets, proprietary information, marketing and sales methods and systems, client protocols and training programs, sales and profit figures, employee lists, and relationships between us and our affiliates and other customers, clients, suppliers and others who have business dealings with us and our affiliates, which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement (the "**Confidential Information**"). You shall divulge such Confidential Information only to those of your employees as must have access to it in order to operate your business under this Agreement. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement.

8.3 In-Term Covenant. You specifically acknowledge that, pursuant to this Agreement, you will receive valuable, specialized training and Confidential Information, including information regarding our operational, sales, promotional, and marketing methods and techniques. You covenant that during the term of this Agreement, except as we may otherwise approve in writing, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

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

8.3.2 Own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any business that: (a) is substantially similar to a School of Rock Business; or (b) offers or sells services that are the same as or similar to the services being offered by a School of Rock Business under the System, including music instruction or live music performances.

8.4 Post-Term Covenant. You covenant that, except as we may otherwise approve in writing, you, your owners and members of your or their immediate families shall not, for a continuous uninterrupted period of two (2) years commencing upon the date of (a) a transfer permitted under Section 7 of this Agreement, (b) expiration of this Agreement, (c) termination of

this Agreement (regardless of the cause for termination), or (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 8.4, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business which: (a)(i) is substantially similar to a School of Rock business; or (ii) offers or sells services that are the same as or similar to the services being offered by a School of Rock business under the System, including music instruction or live music performances; and (b) is, or is intended to be, located at or within:

8.4.1 The Development Area;

8.4.2 Ten (10) miles of the Development Area; or

8.4.3 Ten (10) miles of any School of Rock Business operating under the System and the Proprietary Marks.

Provided, however, that Sections 8.3.2 and 8.4 shall not apply to the authorized operation by you of a School of Rock business under the System pursuant to a Franchise Agreement. Before any violation of an activity restriction occurs, either we or you, upon written notice to the other, shall have the right to have determined whether the covenant contained in this Section 8.4 is a reasonable restriction by requesting that the scope of the restrictions be submitted to arbitration in accordance with Section 14.2 of this Agreement solely for the purpose of determining prospectively whether any reduction in the scope of the restrictions is appropriate. In such event, the decision of the arbitrator regarding the scope of the restriction shall be final and binding upon the parties. You shall not engage in any competitive activities in violation of this Section 8.4 pending resolution of the dispute. Any violation of the activity restrictions may be enforced in a court of law by injunction in accordance with Section 14.5 of this Agreement.

8.5 No Application to Equity Securities. Section 8.4 shall not apply to ownership by of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities and Exchange Act of 1934.

8.6 Independent Covenants. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 8 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 8.

8.7 Reduction of Scope of Covenants. You understand and acknowledge that we shall have the right, in our discretion, to reduce the scope of any covenant set forth in Sections 8.3 and 8.4 in this Agreement or any portion thereof, without your consent, effective immediately upon your receipt of written notice thereof, and you agree to comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 13 hereof.

8.8 No Defense. You acknowledge that the existence of any claims which you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 8.

8.9 Irreparable Injury. You acknowledge that a violation of the terms of this Section 8 would result in irreparable injury to us for which no adequate remedy at law may be available; and you accordingly consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by us in obtaining, an injunction prohibiting any conduct in violation of the terms of this Section 8.

8.10 Confidentiality and Non-Competition Agreements. You shall require all of your owners, managers, assistant managers, and music directors to execute, as a condition of their employment or hire, non-competition covenants and covenants that they will maintain the confidentiality of information they receive in connection with their ownership or employment by you. Such covenants shall be in the form attached hereto as Exhibit D. You shall require all other employees who have access to such confidential information to sign confidentiality and non-solicitation covenants in a form we may provide or approve, as a condition of their employment or hire.

9. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including private delivery or courier service), which shall not include electronic communication, such as e-mail, to the respective parties at the addresses shown in the opening paragraph of this Agreement, unless and until a different address has been designated by written notice to the other party, to the attention of:

Notices to us: Attn: Chief Development Officer

Notices to you: Attn: _____

Notices shall be deemed to have been given at the date and time of delivery or of attempted delivery.

10. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

10.1 Independent Contractor. This Agreement does not create a fiduciary relationship between you and us. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. During the Term, you shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement.

10.2 No Authority to Contract. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name. We will, in no event, assume liability for, or be deemed liable as a result of, any of your actions omissions, or any claim or judgment arising therefrom against us or you.

10.3 Indemnification. You shall indemnify and hold us and our affiliates, and our and their respective officers, directors and employees (collectively, the "**Indemnitees**") harmless against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with your operations hereunder, the operation of any School of Rock Businesses pursuant to Franchise Agreements executed pursuant hereto, or your breach of this Agreement, including those alleged to be caused by an Indemnitee's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by such Indemnitee's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction, as well as the costs, including reasonable attorneys' fees, of defending against them. In the event we incur any costs or expenses, including legal fees, travel expenses, and other charges, in connection with any proceeding involving you in which we are not a party, you shall reimburse us for all such costs and expenses promptly upon presentation of invoices. You acknowledge and agree that your indemnification and hold harmless obligations under this Section shall survive the termination or expiration of this Agreement. Nothing herein shall preclude an Indemnitee from choosing its own legal counsel to represent it in any lawsuit, arbitration, or other dispute resolution.

11. APPROVALS AND WAIVERS

11.1 No Warranties or Guarantees. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, advice, consent, or suggestion under or in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

11.2 No Waiver. No failure on our part to exercise any power reserved to us by this Agreement, or to insist upon your strict compliance with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms herein. Our waiver of any particular default by you shall not affect or impair our rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants hereof, affect or impair our right to exercise the same, nor shall such constitute a waiver of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Our subsequent acceptance of any payments due hereunder shall not be deemed to be a waiver of any preceding breach by you of any terms, covenants or conditions of this Agreement.

11.3 Approval and Consent. Whenever this Agreement requires our prior approval or consent, you must make timely written request to us for such consent. Except as otherwise provided in this Agreement, any approval or consent granted by us must be in writing.

12. SEVERABILITY AND CONSTRUCTION

12.1 Severability. Except as expressly provided to the contrary herein, each section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid

jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

12.2 No Rights or Remedies Conferred. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you or us and such of their respective successors and assigns as may be contemplated by Section 7 hereof, any rights or remedies under or by reason of this Agreement.

12.3 Promises and Covenants. You expressly agree to be bound by any promise or covenants imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

12.4 Captions and Headings. All captions and headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

12.5 Survival. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration or termination of this Agreement.

12.6 Construction. Wherever we have reserved the right to take action "in our discretion," we may do so in our "sole" discretion unless otherwise provided. References in this Agreement to "including" mean "including, without limitation" or "including, but limited to," as the context requires, unless otherwise provided. This Agreement may be executed in multiple copies, each of which will be deemed an original. Signatures delivered by facsimile or electronically shall be deemed and have the same force as an original.

13. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, if any, constitute the entire, full, and complete agreement between you and us concerning the subject matter hereof and supersede any and all prior agreements. Except as set forth in Section 8, no amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing. Nothing in this Agreement or in any related agreement between you and us is intended to disclaim the representations in the Franchise Disclosure Document we have provided to you.

14. APPLICABLE LAW AND DISPUTE RESOLUTION

14.1 Applicable Law. This Agreement shall be interpreted and construed exclusively under the laws of the Commonwealth of Massachusetts. In the event of any conflict of law, the

laws of Massachusetts shall prevail, without regard to the application of Massachusetts conflict-of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Massachusetts and if you are located outside of Massachusetts and such provision would be enforceable under the laws of the state in which you are located, then such provision shall be interpreted and construed under the laws of that state.

14.2 Arbitration. Except as otherwise provided herein, any dispute, claim or controversy arising out of or relating to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the entry, making, interpretation, or performance of either party under this Agreement shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Such arbitration shall take place before a sole arbitrator in Boston, Massachusetts at a location we determine in our discretion, and you agree not to file an objection to such locale. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall, in the award, allocate all of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between you and us. This agreement to arbitrate shall survive any termination or expiration of this Agreement. No arbitration, action, or proceeding under this Agreement shall add as a party, by consolidation, joinder, or in any other manner, any person or party other than us and you and any person in privity with, or claiming through, in the right of, or on behalf of, us and you, unless both parties consent in writing. We have the absolute right to refuse such consent. All such proceedings for which consent is not granted shall be conducted on an individual, not a class-wide, basis.

14.3 Jurisdiction and Venue. Any action that is not otherwise subject to arbitration under Section 14.2 (including all appeals from or relating to arbitration hereunder), whether or not arising out of, or relating to, this Agreement, brought by you (or any of your owners) against us shall be brought in the U.S. District Court presiding in Boston, Massachusetts, or, if such court does not have competent jurisdiction, in a state court located in such district. We shall have the right to commence an action against you in any court of competent jurisdiction. You waive all objections to personal jurisdiction or venue for purposes of this Section 14.3 and agree that nothing in this Section 14.3 shall be deemed to prevent us from removing an action from state court to federal court.

14.4 No Exclusivity. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

14.5 Injunctive Relief. Nothing in this Agreement (including Sections 14.2 and 14.3 above) shall bar our right to obtain injunctive relief from any court of competent jurisdiction against threatened conduct that will cause us loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

14.6 Limitation of Claims. You agree that any and all claims you have against us and/or our affiliates, principals, employees, and agents, arising out of, or relating to, this Agreement may not be commenced unless you bring them before the earlier of (a) the expiration of one (1) year after the act, transaction, or occurrence upon which such claim is based; or (b) one (1) year after this Agreement expires or is terminated for any reason. You agree that any claim or action not brought within the periods required under this Section 14.6 shall forever be barred as a claim, counterclaim, defense, or set off.

14.7 Your Costs and Expenses. Except as expressly provided by Section 14.2 hereof, you shall pay all expenses, including attorneys' fees and costs, incurred by us, our affiliates, and our or their successors and assigns (a) to remedy any defaults of, or enforce any rights under, this Agreement; (b) to effect termination of this Agreement; and (c) to collect any amounts due under this Agreement.

14.8 WAIVER OF RIGHT TO A JURY AND PUNITIVE DAMAGES. YOU AND WE KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE OUR RESPECTIVE RIGHTS TO A TRIAL BY JURY AND WAIVE ANY CLAIM FOR PUNITIVE, MULTIPLE, AND/OR EXEMPLARY DAMAGES, EXCEPT THAT WE SHALL BE FREE AT ANY TIME HEREUNDER TO BRING AN ACTION FOR WILLFUL TRADEMARK INFRINGEMENT AND, IF SUCCESSFUL, TO RECEIVE AN AWARD OF MULTIPLE DAMAGES AS PROVIDED BY LAW.

15. ACKNOWLEDGMENTS, REPRESENTATIONS AND WARRANTIES

15.1 Independent Investigation. You acknowledge that you have conducted an independent investigation of the business contemplated hereunder, and recognize that the business venture contemplated by this Agreement involves business risks and that your success will be largely dependent upon your ability as an independent businessman, or if you are a legal entity, your owners as independent businessmen. We disclaim the making of, and you disclaim receiving any warranty, representation or guarantee, express or implied, not contained expressly in this Agreement including as to the potential sales volume, profits, or success of the business venture contemplated by this Agreement. You also disclaim relying upon any such warranty, representation or guarantee in connection with your independent investigation of the business contemplated hereunder.

15.2 No Conflicting Agreements. You represent and warrant that you are not a party to or subject to any agreement that might conflict with the terms of this Agreement or prevent you from fully performing your obligations under this Agreement, and you agree not to enter into any such agreement.

15.3 Compliance With Anti-Terrorism Laws. You acknowledge that under applicable U.S. law, including Executive Order 13224, signed on September 23, 2001 (the "**Executive Order**"), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Executive Order, the text of which is available at the Internet website address, www.ustreas.gov/offices/enforcement/ofac and published at https://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf. Accordingly, you represent and warrant that as of the date of this Agreement, neither you nor any person holding any ownership interest in you,

controlled by you, or under common control with you, is designated under the Order as a person with whom we may not transact business, and that you (a) do not, and hereafter shall not, engage in any terrorist activity, (b) are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity, and (c) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

15.4 Acknowledgment of Receipt. You acknowledge that you received our current Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed or you paid any money to us. You further acknowledge that you received a complete copy of this Agreement, the attachments hereto, and all related agreements attached to the Franchise Disclosure Document, and that you waited at least seven (7) calendar days prior to executing them if any changes to such agreements were unilaterally and materially made by us.

15.5 Acknowledgment of Understanding; Opportunity to Consult. You acknowledge that you have read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that we have accorded you ample time and opportunity to consult with an attorney or other advisor of your own choosing about the potential benefits and risks of entering into this Agreement.

15.6 Electronic Records. You expressly consent and agree that we may provide and maintain all disclosures, agreements, amendments, notices, and all other evidence of transactions between you and us in electronic form. You expressly agree that electronic copies of this Agreement and related agreements between you and us are valid. You also expressly agree not to contest the validity of the originals or copies of this Agreement and related agreements, absent proof of altered data or tampering. You agree to execution of this Agreement and related agreements by electronic means and that such execution shall be legally binding and enforceable as an "electronic signature" and the legal equivalent of your handwritten signature.

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

SCHOOL OF ROCK FRANCHISING, LLC _____

By: _____

Name: _____

Title: _____

Date*: _____
(*This is the Effective Date)

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A TO
SCHOOL OF ROCK
DEVELOPMENT AGREEMENT

DISCLOSURE OF OWNERS
(To be complete if You are a Legal Entity)

1. Contact Person. The following individual is a shareholder, member, or partner of you, and is the principal person to be contacted on all matters relating to the Development Agreement:

Name: _____

Address: _____

_____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

2. Owners. The following is a complete list of all of your shareholders, partners, or members ("**Owners**") and the percentage ownership interest of each such individual:

Name	Position	Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SCHOOL OF ROCK FRANCHISING, LLC _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B TO
SCHOOL OF ROCK
DEVELOPMENT AGREEMENT

DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

1. Development Area: Each School of Rock Business developed under this Development Agreement shall be located in the area described below and/or as indicated on a map attached hereto:

_____

_____

_____

2. Development Schedule: The Development Schedule is as follows:

Development Period	Number of School of Rock Businesses to be Opened During Development Period	Total Number of School of Rock Businesses You Must Have Operating in the Development Area as of the End of Each Development Period
Effective Date to _____, 20__		
_____, 20__ to _____, 20__		
_____, 20__ to _____, 20__		
_____, 20__ to _____, 20__		
_____, 20__ to _____, 20__		
_____, 20__ to _____, 20__		*

* This is the total number of School of Rock Business you have a right to develop in accordance with the terms of the Development Agreement.

EXHIBIT C TO
SCHOOL OF ROCK
DEVELOPMENT AGREEMENT

SCHOOL OF ROCK FRANCHISE AGREEMENT

The form of School of Rock Franchise Agreement currently offered by School of Rock Franchising, LLC is attached.

EXHIBIT D TO
SCHOOL OF ROCK
DEVELOPMENT AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(For signature by all owners, managers, assistant managers, and other personnel having access to any Confidential Information)

In consideration of my being a _____ of _____ (the "Developer"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. By agreement dated _____ ("Development Agreement") between the Developer and School of Rock Franchising, LLC (the "Company"), the Developer has acquired certain development rights from the Company and undertaken the obligation to establish and operate multiple School of Rock businesses (the "School of Rock Businesses") under the Company's trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin (the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of School of Rock businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion.

2. The Company possesses certain confidential information, knowledge or know-how concerning the methods of operation of the School of Rock Businesses, including operating manuals and teaching programs, methods and materials, which may be communicated to the Developer or of which the Developer may be apprised by virtue of the Developer's operation under the terms of the Development Agreement (the "Confidential Information"). Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of the Development Agreement and this Agreement.

3. I understand and acknowledge that, as an owner or employee of the Developer, the Company and the Developer will disclose some or all of the Confidential Information to me in furnishing to me initial and ongoing training, the operating manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of Developer's business and the School of Rock Businesses during the term of the Development Agreement, and I understand and acknowledge that the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. I understand and acknowledge that the Confidential Information is proprietary to the Company, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information

only in connection with my duties as an owner or employee of the Developer, and will continue not to disclose or use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of the Developer under the Development Agreement.

6. Except as otherwise approved in writing by the company, I will not, while in my position with the Developer, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business which: (a) is substantially similar to a School of Rock business; or (b) offers or sells services that are the same as or similar to the services being offered by a School of Rock business under the System, including music instruction or live music performances; and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Developer, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business which: (a)(i) is substantially similar to a School of Rock business; or (ii) offers or sells services that are the same as or similar to the services being offered by a School of Rock business under the System, including music instruction or live music performances; and (b) is, or is intended to be, located at or within: (i) the Development Area, which I acknowledge has been described to me; or (ii) ten (10) miles of any School of Rock business operating under the System and the Proprietary Marks.

The prohibitions in this Section 6 do not apply to my interests in or activities performed in connection with a School of Rock business. This restriction does not apply to my ownership of less than five percent beneficial interest in the outstanding securities of any publicly held corporation.

7. I 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 an unappealed final decision to which the Company is a party, I expressly agree 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.

8. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. I understand and acknowledge that the Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Developer. I am aware that my violation of this Agreement will cause the Company and the Developer irreparable harm; therefore, I acknowledge and agree that the Developer and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the

Developer and the Company all the costs it/they incur(s), including legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Developer and the Company, any claim I have against the Developer or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This Agreement shall be construed under the laws of the Commonwealth of Massachusetts. Except as provided in Paragraph 8 above, the only way this Agreement can be changed is in writing signed by both the Developer and me.

Signature:_____

Name:_____

Address:_____

Title:_____

ACKNOWLEDGED BY DEVELOPER

By:_____

Name:_____

EXHIBIT E-1 TO
SCHOOL OF ROCK
DEVELOPMENT AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT
(OWNERS)

As an inducement to School of Rock Franchising, LLC (the "Company") to execute the Development Agreement between the Company and _____ (the "Developer") dated _____ (the "Agreement"), the undersigned (the "Guarantors"), jointly and severally, hereby unconditionally guarantee to the Company and its successors and assigns that all of the Developer's obligations under the Agreement will be punctually paid and performed.

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

The Guarantors hereby agree to defend, indemnify, and hold the Company harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by the Developer to perform any obligation of the Developer under the Agreement, any amendment thereto, or any other agreement executed by the Developer referred to therein.

The Guarantors hereby acknowledge and agree to be individually bound by all of the confidentiality provisions and non-competition covenants contained in Section 8 of the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement or upon the transfer or assignment of the Agreement by the Developer, except that all obligations and liabilities of the Guarantors that arose from events which occurred on or before the effective date of such termination, expiration, transfer, or assignment of the Agreement shall remain in full force and effect until satisfied or discharged by the Guarantors, and all covenants which by their terms continue in force after the termination, expiration, transfer, or assignment of the Agreement shall remain in force according to their terms. This Guarantee shall not terminate upon the transfer or assignment of the Agreement or this Guarantee by the Company. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee,

but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement and shall be interpreted and construed in accordance with Section 14 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the Commonwealth of Massachusetts. In the event of any conflict of law, the laws of Massachusetts shall prevail, without regard to, and without giving effect to, the application of the Commonwealth of Massachusetts conflict of law rules.

The Guarantors agree that the dispute resolution and attorney fee provisions in Section 14 of the Agreement are hereby incorporated into this Guarantee by reference, and references to the Developer and the Agreement therein shall be deemed to apply to the Guarantors and this Guarantee, respectively, herein.

Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including private delivery, courier service, or facsimile), which shall not include electronic communication, such as e-mail, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to the Company: School of Rock Franchising, LLC
1 Wattles Street
Canton, MA 02021
Phone: (720) 398-5981
Attn: Chief Development Officer

Notices to the Guarantors: _____
_____
_____
Attn: _____
E-mail: _____

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Guarantors has signed this Guarantee as of the date of the Agreement.

GUARANTORS

By:_____

Name:_____

Phone:_____

By:_____

Name:_____

Phone:_____

By:_____

Name:_____

Phone:_____

EXHIBIT E-2 TO
SCHOOL OF ROCK
DEVELOPMENT AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT
(OWNER'S SPOUSE)

As an inducement to School of Rock Franchising, LLC (the "Company") to execute the Development Agreement between the Company and _____ (the "Developer") dated _____ (the "Agreement") (the performance of which is guaranteed by Developer's owners _____ (each an "Owner" and, together, the "Owner Guarantors")), the undersigned spouses of the Owners (each a "Spouse" and, together, the "Spouse Guarantors"), jointly and severally, hereby guarantee to the Company and its successors and assigns, on the terms described herein, that all of the Developer's obligations under the Agreement will be punctually paid.

The Spouse Guarantors acknowledge and agree that if Developer and Owner Guarantors fail to make any payment to the Company required under the Agreement when such payment is due, then upon demand by the Company, the Spouse Guarantors will immediately make each payment to the Company required of the Developer under the Agreement. The Spouse Guarantors hereby waive any right to require the Company to: (a) proceed against the Developer or Owner Guarantors for any payment required under the Agreement; (b) proceed against or exhaust any security from the Developer or Owner Guarantors; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against the Developer or Owner Guarantors. Without affecting the obligations of the Spouse Guarantors under this Guarantee, the Company may, without notice to the Spouse Guarantors, extend, modify, or release any indebtedness or obligation of the Developer, or settle, adjust, or compromise any claims against the Developer. The Spouse Guarantors waive notice of amendment of the Agreement and notice of demand for payment by the Developer and agree to be bound by any and all such amendments and changes to the Agreement.

The Spouse Guarantors hereby acknowledge and agree to be individually bound by all of the confidentiality provisions and non-competition covenants contained in Section 8 of the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement or upon the transfer or assignment of the Agreement by the Developer, except that all obligations and liabilities of the Spouse Guarantors that arose from events which occurred on or before the effective date of such termination, expiration, transfer, or assignment of the Agreement shall remain in full force and effect until satisfied or discharged by the Spouse Guarantors, and all covenants which by their terms continue in force after the termination, expiration, transfer, or assignment of the Agreement shall remain in force according to their terms. This Guarantee shall not terminate upon the transfer or assignment of the Agreement or this Guarantee by the Company. Upon the death of an individual Spouse guarantor, the estate of such Spouse guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other Spouse guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement and shall be interpreted and construed in accordance with Section 14 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the Commonwealth of Massachusetts. In the event of any conflict of law, the laws of Massachusetts shall prevail, without regard to, and without giving effect to, the application of the Commonwealth of Massachusetts conflict of law rules.

The Spouse Guarantors agree that the dispute resolution and attorney fee provisions in Section 14 of the Agreement are hereby incorporated into this Guarantee by reference, and references to the Developer and the Agreement therein shall be deemed to apply to the Spouse Guarantors and this Guarantee, respectively, herein.

Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including private delivery, courier service, or facsimile), which shall not include electronic communication, such as e-mail, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to the Company: School of Rock Franchising, LLC
1 Wattles Street
Canton, MA 02021
Phone: (720) 398-5981
Attn: Chief Development Officer

Notices to the Spouse Guarantors: _____
_____
_____
Attn: _____
E-mail: _____

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Spouse Guarantors has signed this Guarantee as of the date of the Agreement.

SPOUSE GUARANTORS

By:_____

Name:_____

Phone:_____

By:_____

Name:_____

Phone:_____

By:_____

Name:_____

Phone:_____

EXHIBIT G-1 TO
FRANCHISE DISCLOSURE DOCUMENT

SCHOOL OF ROCK FRANCHISE AGREEMENT

(See attached.)

SCHOOL OF ROCK

FRANCHISE AGREEMENT

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SCHOOL OF ROCK
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made as of the Effective Date between **SCHOOL OF ROCK FRANCHISING, LLC**, a Pennsylvania limited liability company with its principal place of business at 1 Wattles Street, Canton, MA 02021 ("**we**," "**us**" or "**our**"); and _____, a[n] _____ _____ with its principal place of business at _____ _____ ("**you**" or "**your**"). The "**Effective Date**" is the date we sign this Agreement, as shown beneath our signature on the signature page.

RECITALS

A. We and our affiliates have devoted time, skill, effort, and money to develop, and may continue to develop, a distinctive system (the "**System**") relating to the establishment, operation and franchising of performance-based music schools (each a "**School of Rock Business**") that are required to operate pursuant to system standards that we designate from time to time (the "**System Standards**") and that are identified by certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including the marks "School of Rock," "School of Rock Music," "The School of Rock AllStars," "The Rock School Venue," "Little Wing," and the School of Rock logo, as we designate, in writing, from time to time (collectively, the "**Proprietary Marks**").

B. School of Rock Businesses generally offer a rock music program that provides, among other things, individual music lessons, group rehearsals, performance experience, exclusive, limited access to the school and school equipment during business hours, and branded merchandise. The System includes a method for teaching students through performing in front of a paying audience in a real rock venue, the use of proprietary technology to enhance the teaching of students, an organization of regional groups of elite students known as "The School of Rock AllStars," and an optional program for providing music instruction to young children under the mark "Little Wing" ("**Little Wing Program**"). Although School of Rock programs are principally designed to be delivered as in-person experiences, you may be required or permitted to conduct individual and group lessons, rehearsals, live performances, and other programs remotely, through approved video conferencing and live streaming solutions. We may change, improve and further develop the System from time to time.

C. You have requested that we grant you the right to establish, own and operate a single School of Rock Business. We are willing to grant you those rights, as described in this Agreement, in reliance on all of the information, representations, warranties and acknowledgements you and your owners (if you are a legal entity) have provided to us in support of your request.

IN CONSIDERATION of the covenants herein contained and other valuable consideration, receipt and sufficiency of which are acknowledged, you and we agree as follows:

1. GRANT

1.1 Grant of Franchise. We grant you the right, and you undertake the obligation, at your expense and on the terms and conditions set forth in this Agreement, to establish and operate one School of Rock Business only at and from the location identified in Exhibit A or as it may later be determined in accordance with Section 5.1 (the "**Approved Location**"). The School of Rock Business you are licensed to operate under this Agreement is referred to as the "**School**" and shall include the Little Wing Program described in Section 1.2 hereof.

1.2 Little Wing Program. You may, at your discretion, offer the Little Wing Program in connection with your School of Rock Business at the Approved Location and/or at independent facilities, such as pre-schools, day care centers, children's camps, and such other locations we reasonably designate from time to time in the Manuals or otherwise in writing (the "**Independent Facilities**") under the terms and conditions described in this Agreement.

1.3 Exclusive Territory. In Exhibit A, we have identified an exclusive territory around your School (the "**Territory**"). Provided you are in compliance with your obligations under this Agreement, and except as otherwise provided in this Agreement (including Section 1.4 below), during the Term (defined below) of this Agreement, we will not establish or operate, nor license any party other than you to establish or operate, a School of Rock Business at any location within the Territory.

1.4 Reservation of Rights. We grant franchises and the rights to develop and operate School of Rock Businesses only pursuant to the express terms of written agreements and not orally. All rights that are not granted to you in this Agreement are specifically reserved to us, and we will not be restricted in any manner from exercising them nor will we be required to compensate you should we exercise them. This includes the right, directly or through others and regardless of either (a) proximity to your School or Territory or (b) any actual or threatened impact on sales of your School, to:

1.4.1 use the Proprietary Marks and System in connection with establishing and operating School of Rock Businesses at any location outside the Territory;

1.4.2 use the Proprietary Marks or other marks in connection with selling or distributing any goods (including branded merchandise) or services anywhere in the world (including within the Territory), whether or not you also offer them, through channels of distribution other than a School of Rock Business (including, for example, other permanent or temporary retail locations, kiosks, catalogs, mail order, or the internet or other electronic means);

1.4.3 acquire, establish or operate, without using the Proprietary Marks, any business of any kind at any location anywhere in the world (including within the Territory);

1.4.4 use the Proprietary Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Territory);

1.4.5 use the Proprietary Marks to perform, organize, sponsor, host or support any show, concert, or other live performance anywhere in the world (including within the Territory);

1.4.6 enter into arrangements with international, national, or regional, franchised or non-franchised chains of **Independent Facilities** or similar parties (together with the Independent Facilities, "**National Accounts**") to permit them to offer and sell the Little Wing Program, within or outside the Territory, without any compensation to you; provided, however, that if we enter into any agreement with a National Account to provide products or services under the Little Wing Program at one or more Independent Facilities in your Territory, and you have chosen to offer the Little Wing Program in your Territory, then we reserve the right to require you to offer, and you agree to offer, the Little Wing Program at such facilities on the same terms and conditions (including price terms) as we require, based on our agreement with such National Account; and

1.4.7 to offer, or allow others to offer, the Little Wing Program in your Territory if you, for any reason, are not then-currently doing so.

1.5 Live Performances. Any live performance that is performed, organized, sponsored, hosted or supported by you or your owners or employees under the System or Proprietary Marks ("**Live Performance**") shall take place within the Territory, unless we approve otherwise in writing in advance, in which case you will comply strictly with any conditions we impose, including your sharing revenue (as provided in the Manual) with other franchisees whose School of Rock Business is located near the Live Performance.

1.6 Alternate Channels of Distribution. You may offer and sell approved products and services only from the School, except for approved Live Performances and, except as we otherwise approve in advance, and in such event only in accordance with the requirements of this Agreement and the procedures set forth in the Manual (as defined in Section 3.1.4 below). You may not offer or sell products through any other means or locations, including via the Internet. You shall only offer or sell products and services to retail customers for their use and consumption and not for resale.

1.7 Supplementing the System. You acknowledge that we may, from time to time, supplement, improve, and otherwise modify the System and System Standards, and you agree to comply with all of our requirements in that regard, including offering and selling new or different products or services as we may specify.

2. TERM AND RENEWAL

2.1 Term. This Agreement shall begin on the Effective Date and, except as otherwise provided herein, shall continue until the 10th anniversary of the Effective Date (the "**Term**").

2.2 Successor Franchise. Subject to the conditions set forth in this Section 2.2, on expiration of this Agreement, you will be entitled to acquire a total of three (3) successor franchises for consecutive terms of five (5) years each. To acquire a successor franchise, you must:

2.2.1 give us written notice of your election to acquire a successor franchise no fewer than three (3) months nor more than six (6) months prior to the end of the then-current term;

2.2.2 renovate and modernize the School and premises from which the School operates (the "**Premises**") as we may reasonably require, including installing new equipment and renovating signs, furnishings, fixtures, and décor to reflect the then-current System Standards and image of the System;

2.2.3 not be in default of any provision of this Agreement or any other agreement between you and us or our affiliates; and you must have substantially complied with all the terms and conditions of such agreements during their respective terms (including timely payment of all monies owed under such agreements);

2.2.4 establish to our satisfaction that you have the right to remain in possession of the Premises for the duration of the term of the successor franchise or obtain our approval of a new location for the School for the duration of the term of the successor franchise;

2.2.5 at our option, execute our then-current form of franchise agreement and all related agreements, which shall supersede this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement, including a higher royalty fee and advertising contribution and a smaller or modified Territory, except that you will not be required to pay an initial franchise fee;

2.2.6 execute, along with your owners, a general release, in a form we prescribe, of any and all claims, known or unknown, that you and your owners might have against us or our affiliates, and our or their respective officers, directors, agents, and employees;

2.2.7 comply with our then-current training requirements;

2.2.8 pay us a successor franchise fee in an amount equal to one-third (1/3) of our then-current initial franchise fee; and

2.2.9 be current with respect to your obligations to your lessor, suppliers, and any others with whom you do business.

3. OUR DUTIES

3.1 Our Services to You. In addition to our other obligations described throughout this Agreement, we will do the following:

3.1.1 Specifications. We will make available to you solely for use under this Agreement, our specifications for a prototypical School of Rock Business, including exterior and interior design and layout, fixtures, furnishings and signs. These specifications will not contain the requirements of any federal, state or local law, code or regulation (including those concerning the Americans With Disabilities Act ("**ADA**") or other rules governing public accommodations or commercial facilities for persons with disabilities), compliance with which is your sole obligation and shall be at your sole expense.

3.1.2 Training. We will provide training as set forth in Section 6 below.

3.1.3 Advertising and Promotional Materials. We will make available to you advertising and promotional materials in accordance with Section 12.

3.1.4 Manual. We will make available to you through a password protected website one copy of our confidential operating manual (the "**Manual**") in accordance with Section 9.

3.1.5 Ongoing Advice. After your School opens, we will provide, at times and in the manner we determine, advice, assistance, and written materials about operations, services, teaching methods, show selection, music development methods, music venue selections, music venue business issues, scheduling methods, sales methods, products, and marketing techniques.

3.1.6 Equipment List. We will provide you with a list of equipment needed to open the School and information regarding any discount packages that we may negotiate from time to time with suppliers from which you may purchase such equipment.

3.1.7 The School of Rock AllStars. We may organize, manage, promote (including using the Brand Fund) and arrange for concerts to be performed by national and regional groups of student musicians called "The School of Rock AllStars." The composition of the School of Rock AllStars groups and how they operate are set forth in the Manual and may be changed by us from time to time. We have the right to all revenue generated from the activities of the School of Rock AllStars.

3.1.8 Site Selection. In connection with your selection of an Approved Location (if one has not been approved prior to your execution of this Agreement), we will provide the site selection services described in Section 5.1.

3.2 Performance by Designee. Any duty or obligation imposed on us by this Agreement may be performed by any designee, employee, or agent as we may direct.

3.3 Fulfilling Our Obligations. In fulfilling our obligations under this Agreement, and in conducting any activities or exercising any rights pursuant to this Agreement, we shall have the right, as we see fit: (a) to take into account the effect on, and the interests of, other franchised businesses and systems and in which we have an interest and on our own activities; (b) to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which we have an interest, or with our subsidiaries or affiliates; (c) to introduce proprietary and non-proprietary items or operational equipment used by the System into other franchised systems in which we have an interest; and/or (d) to allocate resources and new developments between and among systems, and/or our subsidiaries or affiliates.

4. FEES

4.1 Initial Franchise Fee. On execution of this Agreement, you shall pay us a non-refundable initial franchise fee of Forty-Nine Thousand Nine Hundred Dollars ($49,900) (the "**Initial Franchise Fee**"). The entire Initial Franchise Fee is fully earned and non-refundable in consideration of administrative and other expenses we incur in entering into this Agreement and for our lost or deferred opportunity to enter into this Agreement with others.

4.2 Royalty Fee. You shall pay us, in the manner described in Section 4.5, a continuing royalty fee ("**Royalty**") in an amount equal to eight percent (8%) of Gross Sales. "**Gross Sales**" means all revenue generated at, from or in connection with the operation of your School, including from sales of all products and services conducted at, from or with respect to the School, Live Performances, Professional Performances (as defined in Section 7.5), the Little Wing Program (if you offer it), and any Independent Facilities, whether or not in compliance with this Agreement and whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales do not include the sale of products or services for which refunds have been made in good faith to customers, the sale of equipment or furnishings used in the operation of the School, or any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority. Gross Sales also include any insurance proceeds you receive for loss of business due to a casualty to or similar event at the School.

4.3 Brand Promotion Expenditures and Contributions. You shall make monthly expenditures and contributions for advertising and brand promotion as specified in Section 12.

4.4 Licensing Fees. You shall pay us our then-current music licensing fees for certain rights we negotiate from time to time, which may include the right to perform, use, and/or distribute, copyrighted music owned by third parties and licensed to us for your use and the use of your students in the operations of your School (collectively, the "**Licensed Materials**"), as further described in Section 7.7 below. We reserve the right to increase the music licensing fees from time to time upon one (1) month written notice to you.

4.5 Payments. All payments required by Sections 4.2, 4.4, 7.20, 8.10, and 12 shall be paid by the 10th day of each month. All payments required by Sections 4.2 and 12 shall be based on the Gross Sales from the preceding month. All such payments shall be made by direct deposit. Any payment not actually received by us on or before the date due shall be deemed overdue. If any payment is overdue, you shall pay us, in addition to the overdue amount, interest on such

amount from the date it was due until received by us, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by applicable law, whichever is less. Entitlement to such interest shall be in addition to any other remedies we may have. You shall not be entitled to set off any payments required to be made under this Section 4 against any monetary claim you may have against us or our affiliates.

4.6 Bank Account. You shall deposit all Gross Sales into one bank account within two (2) days of receipt. You shall furnish to us, upon our request, the bank and account number, a voided check from the bank account, and written authorization for us to withdraw funds from the bank account via electronic funds transfer, without further consent or authorization, for all Royalty, Brand Fund contributions and other amounts due under this Agreement. You shall execute all documents as may be necessary to effectuate and maintain the electronic funds transfer arrangement, as we require. You agree to pay all costs associated with any such transfer. In the event you change banks or accounts for the bank account required by this Section 4.6, you shall, prior to such change, provide us such information concerning the new account and an authorization to make withdrawals therefrom.

5. DEVELOPMENT AND OPENING OF YOUR SCHOOL

5.1 Approved Location. If, as of the Effective Date, you have not located and we have not approved the location for your School, you will, within 90 days from the Effective Date, obtain our approval of a proposed site, and you and we will execute a revised Exhibit A to reflect the Approved Location. We will provide such site selection guidelines and consultation as we deem advisable in our discretion and provide such assistance for lease negotiation as we deem advisable in our discretion. Before you acquire by lease or purchase of a site for the School, you must submit to us such information or materials as we may reasonably require for our review of the site. No proposed site shall be deemed approved unless it has been expressly approved in writing by us. In addition to reviewing the information provided by you, we will have the right to conduct such on-site evaluations as we deem necessary in our discretion. You will be responsible for all of our reasonable out-of-pocket costs and expenses for such on-site evaluations. You acknowledge and agree that, if we recommend or give you information regarding a site for the School, it is not a representation or warranty of any kind, express or implied, of the site's suitability for a School of Rock Business or any other purpose. Our recommendation indicates only that we believe that the site meets our then-acceptable criteria which have been established for our own purposes and are not intended to be relied on by you as an indicator of likely success. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and other factors included in or excluded from our criteria could change, even after our approval of the site or your development of the School, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we recommend or approve fail to meet your expectations. You acknowledge and agree that your acceptance of the franchise and selection of the Approved Location are based on your own independent investigation of the site's suitability for the School.

5.2 Lease of Approved Location. You must sign a lease or otherwise acquire a site for the Approved Location within 120 days from the Effective Date. We have the right to approve the

terms of any lease or sublease for the Approved Location (the "**Lease**") before you sign it. Our approval of any Lease will be subject to your compliance with the terms and conditions of this Section 5.2.

5.2.1 The Lease must contain certain provisions we require for our own purposes, including the following: (a) that the initial term of the lease, or the initial term together with renewal terms, shall be for not less than ten (10) years; (b) that the lessor consents to your use of such Proprietary Marks and initial signage as we may require for the School; (c) that the lessor and you agree to include in the lease our standard Lease Rider, which is attached as Exhibit B; (d) that the use of the Premises be restricted solely to the operation of the School; (e) that you be prohibited from subleasing or assigning all or any part of your occupancy rights or extending the term of or renewing the lease without our prior written consent; (f) that the lessor provide to us copies of any and all notices of default given to you under the lease; (g) that we have the right to enter the Premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under this Agreement or under the lease; and (h) that we have the option, upon default, expiration or termination of this Agreement, and upon notice to the lessor, to assume all of your rights under the lease terms, including the right to assign or sublease.

5.2.2 You acknowledge and agree that any of our involvement in lease negotiations and our review and approval of the Lease are for our sole benefit and the benefit of the System. You agree that you are not relying on our lease negotiations, lease review or approval, or site approval for your benefit. You further acknowledge that you have been advised to obtain the advice of your own professional advisors before you sign a lease. You must not enter into a Lease or any other contract for the premises of your School without our prior written consent.

5.2.3 You shall furnish us with a copy of any executed lease and any amendment thereto within 30 days after execution thereof; thereafter you shall also furnish us with a copy of your then-current lease within 14 days of our request.

5.3 Construction. You shall construct and equip the School at your own expense, as necessary to satisfy the System Standards. Before commencing any construction, you must retain a qualified, licensed architect or engineer to prepare preliminary and final architectural drawings and specifications of the Premises in accordance with our standard specifications for a School of Rock Business. Such preliminary and final drawings and specifications shall be submitted to us for our prior approval, which will not be unreasonably withheld. Our approval of architectural plans and specifications you submit to us for review will be limited to their conformance with our specifications and will not relate to your obligations with respect to any federal, state or local laws, codes or regulations regarding the construction, design and operation of the School, including the ADA, all of which will be your sole responsibility. The drawings and specifications shall not thereafter be changed or modified without our prior written approval. You or your contractor, at your or your contractor's expense, shall obtain such insurance, as described in Section 13.1, prior to beginning construction. We have the right to oversee any construction and to visit the site at any time to ensure compliance with our specifications. We also have the right to require you to submit periodic progress reports in such form and at such times as we determine.

5.4 Permits and Licenses. You will be responsible for obtaining all zoning classifications, business permits and licenses, certifications, and clearances required for the lawful construction and operation of the School, including, without limitation, any copyright licenses related to the music used in the operation of the School. Before you open the School, and after any major renovation, you must sign and deliver to us an ADA Certification in the form attached to this Agreement as Exhibit C to certify that the School complies with the ADA.

5.5 Opening Deadline. If you have an Approved Location as of the Effective Date, you must complete all actions necessary to open the School and be prepared to commence operation of the School not later than 150 days after the Effective Date. If you do not have an Approved Location as of the Effective Date, you must complete all actions necessary to open the School and be prepared to commence operation of the School not later than 270 days after the Effective Date. The parties agree that time is of the essence in the opening of the School and that your failure to open the School within the time periods described in this Section 5.5 shall be a material default under this Agreement and will entitle us to terminate this Agreement pursuant to Section 15 hereof.

5.6 Opening Approval. You must provide us with written notice of your desire to open the School at least 30 days prior to your desired opening date. We reserve the right to inspect the School prior to its opening to determine whether your staff has been adequately trained and whether the School conforms to our standards and specifications and is ready for opening. Unless we waive the foregoing requirement, you may not open the School without our prior written approval and the on-site presence of our representative(s). We will endeavor not to unreasonably delay the opening of the School. In the event there is a change in the opening date, not caused by us, we have the right to require you to reimburse us for the greater of (a) our actual out-of-pocket costs and expenses incurred due to such delay, including travel costs and expenses for our representative(s), or (b) Three Hundred Dollars ($300) for each additional day that our representative(s) is in your area beyond the scheduled visit as a result of delay in opening the School.

6. TRAINING

6.1 Initial Training Program. Prior to opening your School, you (or, if you are a legal entity, one or more of your owners) and certain designated personnel shall attend and complete, to our satisfaction, our initial training program for franchisees, as described in the Manuals (the "**Initial Training Program**"). For example, we have the right to require that, before your School opens, your designated full-time manager of operations ("**General Manager**") and/or your director of music ("**Music Director**") (or an appropriate designee) attend and complete those components of the Initial Training Program relevant to their respective roles at your School, as we determine in our sole discretion. To ensure the protection of our Confidential Information (as defined below), you must notify us in advance of all individuals that will be participating in any part of the Initial Training Program and ensure that each such individual has completed a background check and agreed to the confidentiality and non-competition covenants required by Section 17.10 hereof in advance of their participation. The Initial Training Program shall take place at such times and places as we designate and will be provided virtually (via the Internet or by teleconference) or through a combination of virtual and in-person training, as we determine in our sole discretion.

6.2 Subsequent Managers. Any persons you subsequently employ in the position of General Manager or Music Director must, as we may require in our sole discretion, attend and complete, to our satisfaction, our Initial Training Program, within three (3) months of their date of hire.

6.3 Additional Programs. You (or your owner(s)), your General Manager, your Music Director, and other appropriate personnel, may also attend such additional courses, seminars, and other training programs as we may specify from time to time and for which we may charge a reasonable fee.

6.4 Training Fees and Expenses. For the Initial Training Program, we will provide instructors and training materials at no charge for your attendance (or, if you are a legal entity, for the attendance of up to three of your owners). For the attendance of your General Manager and your Music Director (or an appropriate designee) at the Initial Training Program, we reserve the right to charge a reasonable fee. You shall be responsible for any and all other expenses incurred by you, your owners (if you are a legal entity), and your employees in connection with attending all training programs described in this Section 6, including the costs of transportation, lodging, meals, and wages.

6.5 Employee Training. It shall be solely your responsibility to ensure that you train your new employees and current employees to perform their duties in a proper manner at the School, provided, however, that at your request and at your sole expense, we may provide initial and additional training, as prescribed by us in the Manual or otherwise in writing from time to time, to any of your employees who have not attended the Initial Training Program as described in this Section 6, but who will be providing direct, on-premises supervision of the School, as described in Section 7.15. In the event that we provide training to your employees upon your request, you hereby release, indemnify and hold harmless us and our affiliates, agents, and employees from all claims, causes of action, expenses, costs, debts, fees, liabilities and damages of every kind arising out of or related to the training and/or additional training of your employees as set forth herein.

7. OPERATION OF THE SCHOOL

7.1 Operating Standards. You understand and acknowledge that every detail of the System and the School is important to you, to us and to other School of Rock Businesses in order to develop and maintain high operating standards, to increase the demand for the products and services sold by all School of Rock Businesses, to protect and enhance our reputation and goodwill, to promote and protect the value of the Proprietary Marks, and other reasons.

7.2 School Operations. You shall use the Premises solely for the operation of the School; shall keep the School open and in normal operation for such minimum hours and days as we may specify in the Manual or otherwise direct from time to time, which shall be at least five (5) days per week; shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining our consent; and shall operate the School in strict conformity with such methods, standards, and specifications as we may from time to time

prescribe. You shall refrain from deviating from such standards, specifications, and procedures without our prior consent.

7.3 Adherence to Standards and Specifications. To ensure that the highest degree of quality and service is maintained, you shall operate the School in strict conformity with such methods, standards, and specifications as we may from time to time prescribe. You agree to:

7.3.1 adhere to our curriculum as we prescribe from time to time;

7.3.2 designate at least one (1) Music Director, who shall, as we may require, attend and complete, to our satisfaction, those components of the Initial Training Program relevant to the role of Music Director, as we determine in our sole discretion;

7.3.3 maintain in sufficient supply as we may prescribe from time to time and use, at all times, only such products, materials, supplies, fixtures, furnishings, equipment, signs and services acquired from suppliers we designate or approve from time to time and that conform to our standards and specifications;

7.3.4 sell or offer for sale only such products, merchandise, and services as we have expressly approved for sale; sell or offer for sale all types of products, merchandise, and services we specify from time to time; refrain from any deviation from our standards and specifications without our prior written consent; and discontinue selling and offering for sale any products, merchandise, or services which we disapprove at any time;

7.3.5 sell all products and merchandise at retail, not at wholesale or for re-sale, and refrain from selling any products, merchandise, or services at any location other than the Approved Location, except for locations we approve for Live Performances or except as we otherwise approve;

7.3.6 operate the School in compliance with the System Standards as we may revise them from time to time;

7.3.7 refrain from selling, offering to sell, or permitting any other party to sell or offer to sell alcoholic beverages on the Premises;

7.3.8 refrain from offering, selling, or advertising any products, merchandise, or services on the Internet without our prior approval; and

7.3.9 concentrate your marketing efforts within your Territory and not direct any marketing efforts toward the territory of another School of Rock franchisee.

7.4 Live Performances. You shall organize, manage, and promote at least three (3) Live Performances each calendar year. All Live Performances shall be on a date and at a time and location we approve and shall be organized and conducted in accordance with our standards and specifications as set forth in the Manual or otherwise in writing. We may require you to live stream and make a video recording of each of your Live Performances and you shall provide us with a

copy of such video recording upon our request. We reserve the right to require you to obtain our approval of the dates, times and locations for each such Live Performance. We will own all copyrights in and to the video recordings. You will be responsible for obtaining all necessary permits and licenses required for Live Performances and for complying with all applicable zoning and related laws and ordinances. You will provide proof of your compliance with these requirements on our request.

7.5 The Rock School Venue. You will have the right, but not the obligation, to establish a performance venue on the Premises of the School (the "**Rock School Venue**") for the purpose of hosting student rehearsals, Live Performances, and professional, non-student performances by known or established rock music bands ("**Professional Performances**"). The Rock School Venue shall be constructed and equipped in accordance with our standards and specifications as set forth in the Manual or otherwise in writing. Your use of the Rock School Venue for Live Performances must be approved by us in accordance with Section 7.4. The name of all proposed Professional Performances must be submitted to us in writing at least 30 days prior to the proposed date of the Professional Performance. We reserve the right to reject any proposed Professional Performance. You will be responsible for all costs of all Professional Performances, including appearance fees. All revenue generated from Professional Performances (including ticket sales) are part of the School's Gross Sales for purposes of calculating Royalty fees and Brand Fund contributions.

7.6 Little Wing Program. If you choose to offer the Little Wing Program, you agree:

7.6.1 to offer the Little Wing Program only at your School of Rock Business, Independent Facilities located in your Territory, and at such facilities as we specify from time to time, and to offer the Little Wing Program at Independent Facilities located outside your Territory only with our prior written approval as to each facility. You acknowledge and agree that we reserve the right, from time to time, during the Term, to disapprove, in our discretion, your offering the Little Wing Program at any Independent Facility within or outside your Territory;

7.6.2 to provide music instruction to pre-school children at the School of Rock Business and/or at Independent Facilities under the Little Wing Program as we require in the Manual or otherwise in writing from time-to-time; and

7.6.3 if you use a teacher's kit or approved student kit to teach Little Wing Program classes, you must procure them according to our standards and specifications and from any approved supplier(s) we designate from time to time in the Manual or otherwise in writing.

7.7 Use of Copyrighted Materials. You shall be responsible for operating your School and requiring your students to play, perform, or otherwise use any copyrighted music owned by third parties ("**Copyrighted Materials**") in full accordance with the copyrights for such materials and in full compliance with the law. At our option, we may negotiate license agreements covering certain uses of Licensed Materials and, in such cases, shall require you to pay a music licensing fee to us or a third party to cover the cost of the licenses, as described in Section 4.4 above. You acknowledge and agree that the licenses we negotiate will not cover all possible uses of the Licensed Materials. You are responsible for operating your School within the terms of any license

agreements we negotiate and in full compliance with all applicable copyright laws. We will communicate to you in the Manuals or otherwise in writing from time to time any copyright licensing arrangements we have made for Copyrighted Materials.

7.8 Fixtures, Furnishings, and Equipment. You shall purchase and install all fixtures, furnishings, supplies, equipment, décor, and signs as we may reasonably direct from time to time; and shall refrain from installing or permitting to be installed on or about the Premises, without our prior consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved as meeting our standards and specifications.

7.9 Sources of Products and Services. All products and services offered or sold at or through the School, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used in the operation of the School, shall meet our then-current standards and specifications, as established from time to time. You shall purchase all such products and services for which we have established standards or specifications solely from suppliers that we approve or designate (which may be us and our affiliates). If we designate a specific supplier for specified products or equipment, you must use that supplier for the specified product or equipment. If we have not designated a specific supplier for certain products or equipment, and you desire to purchase products or equipment from a party other than an approved supplier, you shall submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require. We will attempt, within 30 days after our receipt of your request and completion of such evaluation and testing we deem appropriate, to notify you of our approval or disapproval of the proposed supplier. You may not sell or offer for sale any products of the proposed supplier until you have received our approval. We may from time to time revoke our approval of particular products, services or suppliers when we determine, in our discretion, that such products, services or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you shall cease to sell any disapproved products and cease to purchase from any disapproved supplier. You agree that you will use products and services purchased from approved suppliers solely for the purpose of operating the School and not for any other purpose, including resale.

7.10 Inventory. At the time the School opens, you shall stock all products and supplies we prescribe. Thereafter, you shall stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand.

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

7.12 Advertising and Promotional Materials. You shall ensure that all graphics, signs, advertising, and promotional materials, decorations and other items we specify bear the Proprietary Marks in the form, color, location, and manner we prescribe.

7.13 Maintenance of Premises. You shall maintain the School and Premises (including the adjacent public areas) in a clean, orderly condition and in excellent repair and make such additions, alterations, repairs and replacements to the School and Premises (but no others without our prior consent) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct.

7.14 Refurbishment. At our request, but no more than once every three (3) years, unless sooner required by your lease, you shall refurbish the School and Premises to conform to the building design, trade dress, color schemes and presentation of the Proprietary Marks in a manner consistent with the then-current image for new School of Rock Businesses. Such refurbishment may include structural changes, installation of new equipment, remodeling, redecoration and modifications to existing improvements.

7.15 On-Premises Supervision. The School shall at all times be under the direct, on-premises supervision of an individual who has satisfactorily completed the Initial Training Program as required by Section 6. You shall maintain a trained staff, including a Music Director (or an appropriate designee) who has satisfactorily completed the Initial Training Program. You shall take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; and meet such minimum standards, including standards for personal attire, as we may establish from time to time in the Manual. You shall conduct a reasonable background check of all employees prior to hiring, and at reasonable intervals thereafter. You and your employees shall handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from the Proprietary Marks, the System or us. You shall take such steps as are necessary to ensure that your employees do not violate our policies relating to the use of Networking Media Sites (as defined in Section 8.10 below), including prohibiting employees from posting any information relating to us, the System, the Proprietary Marks, or the School on any Networking Media Site that is inconsistent with such policies. You shall not, however, prohibit or restrict any social media communications or activity by your employees which prohibition or restriction violates your employees' right to engage in protected concerted activity under the National Labor Relations Act.

7.16 Compliance with School of Rock's Codes of Conduct. You acknowledge and agree that your School will be providing music instruction principally to school-age children, and it is essential to your School, the System, the Proprietary Marks, and the goodwill associated therewith, that you, your owners, employees, instructors and any other personnel (collectively, "**School Personnel**") engage only in proper and legal conduct with all students and with one another and fully comply with School of Rock's various policies and procedures relating to appropriate conduct, including, without limitation, its code of conduct; non-fraternization, drug, alcohol, and tobacco policy; child abuse or neglect policy; discrimination and harassment policy; social media policy; and use of communication, computer systems and company equipment policy. Improper conduct may include, without limitation, any communications or conduct related to sexual activity or drugs or alcohol. If you become aware of any such improper conduct or communications

occurring at the School, by and among any students and/or School Personnel, or involving such individuals (whether on or off the Premises), you must immediately notify us in accordance with our then-current policies and procedures and as further described in the Manuals.

7.17 Changes to the System. You shall not implement any change, amendment, or improvement to the System without our prior consent. You shall notify us in writing of any change, amendment, or improvement in the System that you propose to make, and shall provide us such information as we request regarding the proposed change, amendment, or improvement. You acknowledge and agree that we shall have the right to incorporate the proposed change, amendment, or improvement into the System and shall thereupon obtain all right, title and interest therein without compensation to you.

7.17 Compliance With Lease. You shall comply with all the terms of your lease or sublease and all other agreements affecting the operation of the School; shall undertake best efforts to maintain a good and positive working relationship with your landlord and/or lessor; and shall refrain from any activity which may jeopardize your right to remain in possession of, or to renew the lease or sublease for, the Premises.

7.18 Notice of Violations. You shall furnish to us within two (2) business days after receipt thereof, a copy of any violation or citation which indicates your violation of any local law, regulation, or ordinance in the operation of the School or of the Lease.

7.19 Pricing and Coupon Sales. Unless prohibited by applicable law, we shall have the right to set maximum and minimum prices for the products and services you offer and sell. You shall strictly adhere to the prices we establish. We retain the right to modify the prices from time-to-time in our reasonable discretion. You must comply with all of our policies regarding advertising and promotion, including the use and acceptance of coupons.

7.20 Mobile Applications. We reserve the right to develop or use (or engage third parties to develop), and require you to use, one or more mobile applications (a "**Mobile App**") in connection with your operation of the School. The term "Mobile App" shall include any application for use on smart phones, tablets, other mobile devices, computers and/or other electronic devices. If we require you to use a Mobile App, then you shall comply with our requirements (as set forth in the Manual or otherwise in writing) for connecting to, and utilizing, such technology in connection with your operation of the School, including without limitation the following:

7.20.1 Our affiliate, School of Rock, LLC, has developed a proprietary Mobile App called the "School of Rock Method App" ("**Method App**") that you must use to aid in the delivery and execution of our curriculum. The Method App contains a library of copyrighted music notation accessible to curriculum-eligible students and your School's staff. You must pay School of Rock, LLC a monthly Method App fee for every curriculum-eligible student in your School (payable as described in Section 4.5 above) for the students' use of the Method App. The Method App fee is Five Dollars and Forty Cents ($5.40) for every curriculum-eligible student as of the Effective Date, and is subject to increase from time-to-time.

7.20.2 In addition to the Method App, we reserve the right to develop or use (or to engage third parties to develop), and require you to use, a Mobile App or other technology solutions to facilitate electronic payments, loyalty or rewards programs, online scheduling, virtual music sessions, video conferencing, or any similar or related application for use in connection with the System. We reserve the right to require you pay us, or a third-party, a reasonable periodic or one-time fee for use or development of any such Mobile App, and you may be required to purchase additional hardware to ensure the full functionality of the technology that we develop.

8. PROPRIETARY MARKS, TECHNOLOGY, AND COPYRIGHTED MATERIAL

8.1 Use of Proprietary Marks. You may use the Proprietary Marks only for the operation and promotion of the School in accordance with this Agreement. You agree that you will use only the Proprietary Marks we designate and will use them only in the manner we authorize and permit from time to time. Unless we otherwise authorize or require, in writing, you shall operate and advertise the School only under the name "School of Rock" and shall use all Proprietary Marks without prefix or suffix. You shall not use the Proprietary Marks as part of your corporate or other legal name or in any manner to incur any obligation or indebtedness on our behalf. You shall identify yourself as the owner of the School in the manner we require, including on invoices, order forms, receipts, business stationery, and contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate. Any unauthorized use of the Proprietary Marks shall constitute an infringement of our and our affiliates' rights and will entitle us and our affiliates to exercise all of our and their rights under this Agreement, under applicable law or in equity. You shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Proprietary Marks.

8.2 Protection of Proprietary Marks. You shall execute any documents we deem necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. You shall promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our or our affiliate's ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. You acknowledge that we or our affiliates have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We and our affiliates have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your authorized use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by us. If we determine that you have not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by you. In the event of any litigation relating to your use of the Proprietary Marks, you shall execute any and all documents and do such acts as we determined to be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner

inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in doing such acts.

8.3 Ownership of Proprietary Marks. You understand and acknowledge that we or our affiliate is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and we have the right to use, and license others to use, the Proprietary Marks. You further agree that the Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System. During the Term and after its expiration or termination, you shall not directly or indirectly contest the validity of our or our affiliate's ownership of, or our right to use and to license others to use, the Proprietary Marks. Your use of the Proprietary Marks does not give you any ownership or other interest in or to the Proprietary Marks except the right to use them in accordance with this Agreement. All goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our and our affiliate's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be attributable to you for any goodwill associated with your use of the System or the Proprietary Marks.

8.4 Non-Exclusivity. Except as specified in Section 1.3 hereof, the license of the Proprietary Marks granted hereunder to you is non-exclusive, and we thus have and retain the rights, among others: (a) to use the Proprietary Marks itself in connection with selling products and services; (b) to grant other licenses for the Proprietary Marks; (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks; and (d) to grant licenses thereto without providing any rights therein to you.

8.5 Discontinuance of Proprietary Marks. We reserve the right, in our discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks, for use in identifying the System and School of Rock Businesses. You must promptly comply with such changes, revisions and/or substitutions at your sole cost and expense. In that event, we will provide to you, at no cost, templates for new stationery and advertising materials. Your use of any such modified or substituted proprietary marks shall be governed by the terms of this Agreement to the same extent as the Proprietary Marks.

8.6 Computer System and Required Software.

8.6.1 We reserve the right to specify or require that you use certain brands, types, makes, and/or models of communications, computer systems, and hardware in the operation of the School, including: (a) back office and point of sale systems, data, audio, and video, systems for use at the School; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and (e) physical, electronic, and other security systems (collectively, the "**Computer System**").

8.6.2 We have the right, but not the obligation, to designate, develop or assign the development of, and to require you to install: (a) computer software programs for use with the Computer System, which may include web-based software programs or Mobile Apps (the "**Required Software**"); (b) updates, supplements, modifications, or enhancements to the Required Software; (c) the tangible media upon which you shall record data; and (d) the database file structure of the Computer System.

8.6.3 At our request, you shall purchase or lease, and thereafter maintain, the Computer System and any Required Software. We have the right at any time to remotely retrieve and use such data and information from your Computer System or Required Software that we deem necessary or desirable. You shall strictly comply with our standards and specifications for all items associated with your Computer System and any Required Software in accordance with our standards and specifications. You shall keep the Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing.

8.6.4 We have the right to require you to pay us third party licensing fees for any component of the Computer System or Required Software, including management systems and billing and accounting systems. We will pay such licensing fees collected from you directly to the third party suppliers. We also have the right to require you to pay these third party suppliers directly.

8.7 Data. All data provided by you, uploaded to our system from your system, and/or downloaded from your system to our system, is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. In addition, all other data created or collected by you in connection with the System, or in connection with your operation of the School (including consumer and transaction data), is and will be owned exclusively by us both during and after the Term. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you, at no additional cost, solely for the Term and solely for your use in connection with the establishment and operation of the School pursuant to this Agreement.

8.8 Privacy. Subject to commercial standards of reasonableness based upon local business practices in the Territory, we may, from time-to-time, specify the information that you shall collect and maintain on the Computer System, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to or derived from the School (including data pertaining to or otherwise about customers) is and shall be our exclusive property, and we hereby grant you a royalty-free nonexclusive license to use said data during the Term. You shall abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information. You shall not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior consent.

8.9 Extranet. We may, but will not be obligated to, establish a private network based upon Internet protocols that will allow users inside and outside of our headquarters to access certain parts of our computer network via the Internet (an "**Extranet**"). If we establish an Extranet, then you shall comply with our requirements with respect to connecting to the Extranet and utilizing the Extranet in connection with the operation of the School. The Extranet may include the Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware (including telecommunications capacity) as may be required to connect to and utilize the Extranet. We shall have the right to require you to install a video, voice and data system that is accessible by both us and you on a secure Internet website, in real-time, all in accordance with our then-current written standards. You shall comply with our requirements with

respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet and/or such other computer systems as we may reasonably require.

8.10 Websites. We maintain a website at www.SchoolofRock.com ("**Our Website**") and have the right to promote on Our Website the School of Rock Businesses as we determine and in the manner we determine. We reserve the right to require you to pay us a monthly hosting fee that we designate for the hosting of the School on Our Website. Hosting fees may change over time if design and content require more bandwidth or functionality. Unless we otherwise approve, you shall not own, establish, or maintain a website for your School. The term "website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including any account, page, or other presence on a social or business networking media site such as Facebook, Twitter, LinkedIn, and on-line blogs and forums ("**Networking Media Site**"). However, we may require that you have one or more references or webpage(s), as we designate and approve in advance, within Our Website. We have the right to require that you not have any website other than the webpage(s), if any, made available on Our Website. However, if we approve a separate website for you (which we are not obligated to approve; and, which approval, if granted, we may later revoke), then each of the following provisions shall apply:

8.10.1 Any website owned, established, or maintained by or for your benefit shall be deemed "advertising" under this Agreement and will be subject to, among other things, our prior review and approval;

8.10.2 Before establishing any website, you shall submit to us, for our prior approval, a sample of the proposed website domain name, format, visible content (including proposed screen shots), and non-visible content (including meta tags) in the form and manner we may reasonably require;

8.10.3 If approved, you shall not materially modify such website without our prior approval as to such proposed modification;

8.10.4 You shall comply with the standards and specifications for websites that we may periodically prescribe;

8.10.5 If we require, you shall establish such hyperlinks to Our Website and other websites as we may request in writing; and

8.10.6 You shall not make any posting or other contribution to a Networking Media Site relating to us, the System, the Proprietary Marks, or the School that (a) is derogatory, disparaging, or critical of us or the System, (b) is offensive, inflammatory, or indecent, (c) harms the goodwill and public image of the System and/or the Proprietary Marks, or (d) violates our policies relating to the use of Networking Media Sites.

8.11 Domain Names. If we grant our approval for your use of a generic, national, and/or regionalized domain name, we will have the right to own and control said domain name at all times and may license it to you for the Term on such terms and conditions as we may reasonably require (including the requirement that you reimburse us costs for doing so). If you already own any

domain names, or hereafter register any domain names, then you shall notify us in writing and assign said domain names to us and/or a designee that we specify in writing.

8.12 Online Use of Proprietary Marks and E-mail Solicitations. You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium, except as specifically issued or approved by us. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining our written consent as to: (a) the content of such e-mail advertisements or solicitations; and (b) your plan for transmitting such advertisements. In addition to any other provision of this Agreement, you shall be solely responsible for compliance with all laws pertaining to e-mails, including the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "**CAN-SPAM Act of 2003**").

8.13 No Outsourcing without Prior Approval. You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior approval. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is provided by us. The provisions of this Section 8.13 are in addition to and not instead of any other provision of this Agreement.

8.14 Changes to Technology. Changes to technology are dynamic and not predictable within the Term. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, we have the right to establish reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards we establish from time to time as if this Agreement were periodically revised for that purpose.

8.15 Notification of Claims. You must promptly notify us of any claim against you arising from your use of the Copyrighted Materials. You acknowledge that we or our affiliates have the right, but not the obligation, to direct and control any administrative proceeding or litigation involving the Copyrighted Materials, including any settlement thereof. In the event of any litigation relating to your use of the Copyrighted Materials, you shall execute any and all documents and do such acts as we determined to be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action. If we determine that you have not used the Copyrighted Materials in accordance with the copyrights and any license agreements, you must indemnify us for any costs and expenses (including legal fees) that we incur. We are not required to indemnify you for any claims arising out of your use of the Copyrighted Materials.

9. CONFIDENTIAL OPERATING MANUAL

9.1 Standards of Operation. In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you shall operate the School in accordance with the standards, methods, policies, and procedures specified in the Manual. We will make available the Manual to you through a password-protected website for the term of this Agreement

upon completion by you of our Initial Training Program to our satisfaction. The Manual may consist of multiple volumes of printed text and other electronically stored data all of which shall be Confidential Information as defined in Section 10.1. You acknowledge and agree that we may provide all or a portion of the Manual (including updates and amendments), and other instructional information and materials, in or via electronic media, including through the Internet. The Manual shall remain our sole property and shall be kept in a secure place on the Premises.

9.2 Revisions to Manual. We may from time to time revise the contents of the Manual, and you expressly agree to comply with each new or changed standard. You shall ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy we maintain at our home office shall be controlling.

10. CONFIDENTIAL INFORMATION

10.1 Confidential Information. You shall not, during or after the Term, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the development or operation of a School of Rock Business (including your School), including the Manual, curricula, customer lists and information, teaching methods and materials, innovations, ideas, plans, trade secrets, proprietary information, marketing and sales methods and systems, client protocols and training programs, sales and profit figures, employee lists, and relationships between us and our affiliates and other customers, clients, suppliers and others who have business dealings with us and our affiliates, which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement (the "**Confidential Information**"). You shall divulge such Confidential Information only to such of your employees as must have access to it in order to operate the School. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement.

10.2 Irreparable Injury. You acknowledge that any failure by you to comply with the requirements of this Section 10 will cause us and our affiliates irreparable injury. You shall pay all court costs and reasonable attorneys' fees we and our affiliates incur in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10, or such other relief as may be sought.

11. ACCOUNTING AND RECORDS

11.1 Monthly Gross Sales. You shall record all sales on the Computer System using the Required Software or on any other equipment we specify from time to time. You shall maintain a monthly record of all Gross Sales (including, without limitation, separate gross sales for the Little Wing Program, if you offer it) and expenses for the preceding month using the Computer System and Required Software. You shall provide us with such monthly record by the 10th day of the following month by such means as we designate. Any report not actually received by us on or before such date shall be deemed overdue. If a report is overdue, all monthly payments to us for that month, whether or not timely received, shall be deemed overdue until such time as we have received the required report, and interest shall be chargeable as provided in Section 4.5.

11.2 Other Reports. At the end of each fiscal quarter, you shall submit to us unaudited monthly financial statements showing the results of operations of the School during the preceding fiscal quarter. Upon our request, but not more often than once per month, you shall submit to us in the form we prescribe, within 15 days of our request, unaudited financial statements showing the results of operations of the School during the preceding calendar month, and such other forms, reports, records, information and data as we may reasonably designate.

11.3 Annual Financial Statements. You shall submit to us in the form we prescribe, within 30 days after the end of each fiscal year, your financial statements for the preceding fiscal year, including a complete and accurate profit and loss statement and balance sheet, which may be unaudited but, upon our request, shall be reviewed in accordance with generally accepted accounting principles.

11.4 Preservation of Records. You shall prepare, and shall preserve for at least three years from the dates of their preparation, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time in writing.

11.5 Inspection and Audit. We and our designated agents shall have the right at all reasonable times and without prior notice to examine, copy, and/or personally review at our expense, your books, records, accounts, and tax returns. We shall have the right at all reasonable times to remove such books, records, accounts, and tax returns for copying. We shall also have the right, at any time, to have an independent audit made of your books and records. If an inspection or audit should reveal that any income or sales have not been reported or have been understated in any report to us, then you shall immediately pay to us the amount underpaid upon demand, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less, plus all of our costs and expenses in connection with the inspection or audit, including travel costs, lodging and wage expenses, and reasonable accounting and legal fees and costs. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or otherwise at law or in equity.

11.6 Electronic Records. You expressly consent and agree that we may provide and maintain all disclosures, agreements, amendments, notices, and all other evidence of transactions between you and us in electronic form. You expressly agree that electronic copies of the Franchise Agreement and related agreements between you and us are valid. You also expressly agree not to contest the validity of the originals or copies of the Franchise Agreement and related agreements, absent proof of altered data or tampering. You agree to execution of the Franchise Agreement and related agreements by electronic means and that such execution shall be legally binding and enforceable as an "electronic signature" and the legal equivalent of your handwritten signature.

12. ADVERTISING AND PROMOTION

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

12.1 Grand Opening Marketing. Beginning 60 days before the grand opening of the School, and within 30 days after the grand opening, you shall conduct an initial, grand opening local advertising, marketing, and promotional program in the form and manner we approve or prescribe. You shall spend no less than Ten Thousand Dollars ($10,000) on such grand opening advertising, marketing, and promotion. Included in this Ten Thousand Dollars ($10,000) shall be the purchase from our designated supplier of a "Kick It Open Kit," as specified in the Manual.

12.2 Local Advertising. During the Term, you shall spend, on an annual basis, at least an amount equal to three percent (3%) of the Gross Sales of the School on local marketing, advertising, and promotion in such manner as we may direct or approve in writing. Your expenditures under this Section 12.2 shall be made during each successive 12-month period following the date the School opens based on the Gross Sales from such 12-month period. We have the right to request written documentation evidencing your expenditures on local advertising, and if there is any deficiency in your expenditures below the three percent (3%) minimum, you shall be obligated to make up the difference by expending such amount in the subsequent 12-month period in addition to the amounts required under this Section 12.2.

12.3 Brand Fund Contribution. During the Term, you shall pay to the System's advertising and brand promotion fund (the "**Brand Fund**") a monthly fee equal to three percent (3%) of Gross Sales of the School for the preceding month. Contributions to the Brand Fund shall be in addition to any expenditures made pursuant to Sections 12.1 and 12.2 hereof and shall be made in accordance with Section 4.5.

12.4 Administration of Brand Fund. We or our designee will maintain and administer the Brand Fund as follows:

12.4.1 We and our designees will have the sole authority to direct all advertising, marketing, and promotional programs of the Brand Fund, and will have discretion over all aspects of such programs, including concepts, materials, and media used in such programs and the placement and allocation thereof. The Brand Fund is intended to maximize general public recognition, acceptance, and use of the System and Proprietary Marks, and we are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, to make expenditures in your geographical area, or to ensure that you benefit directly or on a pro rata basis from expenditures or activities of the Brand Fund.

12.4.2 The Brand Fund will be used, in our discretion, to pay for developing and conducting activities that we believe will enhance the goodwill associated with the Proprietary Marks and the image of the System and to pay for the administration of the Brand Fund and its programs (up to 15% of the total Brand Fund annually may be used to cover our or our designee's costs and overhead for activities reasonably related to the administration of the Brand Fund,

including, among other things, costs and salaries of our or our designee's personnel who perform services for the Brand Fund). The Brand Fund's activities may include, among other things, conducting and preparing advertising, marketing, public relations, customer surveys, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including: preparing and conducting radio, television, print, and Internet-based advertising campaigns; marketing and promoting the School of Rock AllStars and Live Performances; utilizing Networking Media Sites and other emerging media or promotional tactics; developing, maintaining, and updating Our Website on the Internet; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist therein; purchasing promotional items; purchasing point-of-purchase items; providing promotional and other marketing materials and services to the businesses operating under the System; and advertising for the sale of franchises.

12.4.3 Except as provided in Section 12.4.2 above, the Brand Fund and any earnings thereon shall not otherwise inure to our benefit. We will maintain separate bookkeeping accounts for the Brand Fund and may, but will not be required to, cause Brand Fund contributions to be deposited into one or more separate bank accounts. The Brand Fund is not a trust, and we are not a fiduciary with respect to, or a trustee of, the Brand Fund or the monies therein. However, we may, in our discretion, separately incorporate the Brand Fund or create a Brand Fund trust, over which we may be the trustee, into which Brand Fund contributions may be deposited.

12.4.4 It is anticipated that all contributions to and earnings of the Brand Fund will be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Brand Fund at the end of such taxable year, such amounts shall be expended no later than the end of the taxable year following the year of receipt.

12.4.5 We reserve the right to terminate and to thereafter re-institute the Brand Fund in our discretion. The Brand Fund shall not be terminated, however, until all monies in the Brand Fund have been expended for advertising and/or promotional purposes or, at our option, returned to its contributors on the basis of their respective contributions.

12.5 Advertising Materials. All of your advertising and promotion shall be in such media and of such type and format as we may approve, shall be conducted in a dignified manner and shall conform to such standards and requirements as we may specify. You shall not use any advertising or promotional plans or materials unless and until you have received our approval, pursuant to the procedures and terms set forth in Section 12.6. We may make available to you from time to time, at your expense, such advertising and promotional materials, including merchandising materials, point-of-purchase materials, and materials for special promotions as we determine. We may also set forth in the Manual or otherwise in writing such preapproved templates and brand compliance guidelines for print, digital, social media, and new media advertising (together, the "**Brand Advertising Guidelines**").

12.6 Approval of Advertising Materials. You shall submit for our prior review and approval all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including the Internet) that you desire to use if such materials

were not (a) prepared by us, (b) included within the Brand Advertising Guidelines, or (c) previously approved by us (and not subsequently disapproved) within the preceding six (6) months. You shall not use any such plans or materials until we have approved them. If we do not provide you with our approval within 15 days of our receipt of us such plans and materials, they will be deemed to have been disapproved. Our approval under this Section 12.6 will not be unreasonably withheld or delayed. All print, digital or social media must follow the Brand Advertising Guidelines as determined by us in our sole discretion, and must be withdrawn or removed if we determine that such materials are outside the Brand Advertising Guidelines.

12.7 Search Engine Listings. You shall, in addition to all other expenditures required under this Section 12, list and advertise your School on all major internet search engines as set forth in the Manual or otherwise in writing.

12.8 Advertising Cooperatives. We have the right, in our discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("**Cooperative**"), and to determine whether a Cooperative is applicable to your School. We will have the power to require the Cooperative to be formed, changed, dissolved, or merged. Each Cooperative shall be organized and governed in accordance with written governing documents, which we must approve, and such documents shall control the date of commencement and the operation of the Cooperative. Each School of Rock Business participating in the Cooperative will have one vote on any matter requiring member approval, and each Cooperative will have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative up to three percent (3%) of the School's Gross Sales during any calendar year, unless two-thirds of the members of the Cooperative vote in favor of a greater contribution. Any payments you make to a Cooperative will be credited towards the expenditure required to be made under Section 12.2. If a Cooperative has been established in your area prior to opening the School, you must become a member of the Cooperative no later than 30 days after opening the School. If a Cooperative is established subsequent to your School's opening, you must become a member of the Cooperative when it is required to be formed. If the School is within the territory of more than one Cooperative, you will not be required to be a member of more than one Cooperative within that territory.

13. INSURANCE

13.1 Minimum Insurance Requirements. You shall procure, prior to the commencement of any activities or operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement) an insurance policy or policies protecting you, us, School of Rock, LLC, and your, our, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, business interruption, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the School, including comprehensive general liability insurance (including, without limitation, coverages for medical expense, abuse and molestation, and special event liability), property insurance (including fire, vandalism, and malicious mischief insurance for the replacement value of the School and its contents), personal and advertising injury insurance, statutory workers' compensation insurance

(if workers' compensation insurance is not required in your state, you must obtain it nonetheless), employer's liability insurance, crime coverage for employee theft, and automobile insurance coverage for all vehicles used in connection with the operation of the School (including all operations that may occur off of the Premises). Such policy or policies shall be written by a responsible carrier or carriers acceptable to us, shall name us and School of Rock, LLC (and such other affiliates as we designate from time to time) as additional named insureds, shall contain a waiver of subrogation clause, and shall provide at least the types and minimum amounts of coverage specified in the Manual. We shall have the right, from time to time, to make such changes in minimum insurance policy limits and endorsements as we may determine in our reasonable discretion. Prior to the commencement of any operations under this Agreement, and thereafter at least 30 days prior to the expiration of any policy, you must deliver to us Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates shall expressly provide that no less than 30 days' prior written notice shall be given to us and School of Rock, LLC (and such other affiliates as we designate from time to time) in the event of material alteration to or cancellation of the coverages evidenced by such Certificates.

13.2 Our Right to Procure Insurance. In addition to any other remedies we may have under this Agreement or at law or in equity, if, for any reason, you fail to procure or maintain the insurance required by this Agreement, we will have the right and authority (but not the obligation) to procure and maintain such insurance in your name and to charge same to you, which charges, together with our reasonable expenses in so acting, shall be payable by you immediately upon notice.

14. TRANSFER OF INTEREST

14.1 Our Right to Transfer. We may transfer or assign this Agreement and all or any part of our rights or obligations herein to any person or legal entity, and any designated assignee shall become solely responsible for all of our obligations under this Agreement from the date of assignment. You must execute such documents of attornment or other documents as we may request.

14.2 Your Right to Transfer. The rights and duties set forth in this Agreement are personal to you, and we have granted this franchise in reliance on your (or your owners') business skill, financial capacity and personal character. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any of your owners (if you are a legal entity), shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "**transfer**") this Agreement or any direct or indirect interest in you or in all or substantially all of the assets of the School without our prior written consent, which we will not unreasonably withhold or delay. You may not advertise or make any offer for the transfer of the School without our prior written consent. Any purported assignment or transfer not having our written consent will be null and void and shall constitute a material breach of this Agreement, for which we may immediately terminate without opportunity to cure pursuant to Section 15.2.6 of this Agreement. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or at law or in equity.

14.3 Conditions to Transfer. You must notify us in writing of any proposed transfer at least 60 days before such transfer is proposed to take place. We will assess the proposed transfer and proposed transferee and may condition our consent (if we decide to grant consent) on such conditions that we determine are appropriate to protect the System, the Proprietary Marks, and the School, including:

14.3.1 That all of your accrued monetary obligations and all other outstanding obligations to us and our affiliates have been satisfied;

14.3.2 That you are not in default of any provision of this Agreement or any other agreement between you and us or our affiliates;

14.3.3 That the transferor and your owners and, if the transferee owns other School of Rock Businesses, the transferee and its owners shall have executed a general release, in a form we prescribe, of any and all claims against us and our affiliates, and our and their respective officers, directors, agents, shareholders, and employees;

14.3.4 That the transferee (and, as applicable, its owners) either (a) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement, or (b) execute our then-current form of franchise agreement (for a full 10-year initial term, with the number of renewal terms remaining under the transferor's franchise agreement) and other ancillary agreements as we may require for the School, which agreements shall supersede this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement, including a higher royalty fee and advertising contribution, except that you will not be required to pay an initial franchise fee and the Territory will remain the same.

14.3.5 That the transferee (and its owners) demonstrates to our satisfaction that it meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the School; has adequate financial resources and capital to operate the School; is not currently operating and has not previously operated a business in competition with us; is not subject to any non-competition agreement that would bar its operation of the School and that, if the proposed transferee or one or more of its owners is an existing School of Rock franchisee, we have determined, in our sole and absolute discretion, that such sale or transfer would not lead to an impermissible concentration of Schools in a particular franchisee or owner that may, in our business judgment, be detrimental to the School of Rock franchise system;

14.3.6 That you remain liable for all of the obligations to us in connection with the School which arose prior to the effective date of the transfer and execute any and all instruments we reasonably request to evidence such liability;

14.3.7 That the transferee (or its owners) and the transferee's Music Director(s) (or designee(s) we approve), at the transferee's expense, successfully complete any training programs then in effect upon such terms and conditions as we may reasonably require;

14.3.8 That, if the transferee executes our then-current form of franchise agreement for a full 10-year initial term, the transferee renovates and modernizes the School and the Premises as we may reasonably require, including installing new equipment and renovating signs, furnishings, fixtures, and décor to reflect the then-current System Standards and image of the System;

14.3.9 That the terms and conditions of the transfer agreement between the transferee and you are acceptable to us;

14.3.10 That, if the School is not yet open, you are not assigning your rights and interests in this Agreement for an amount of consideration greater than the Initial Franchise Fee reflected in Section 4 hereof; and

14.3.11 That you pay to us a transfer fee as follows: if there is a proposed transfer of (i) less than fifty percent (50%) of the ownership interests in you (if you are a corporation, limited liability company, or a partnership), then you must pay to us a transfer fee which is equal to the greater of Two Thousand Five Hundred Dollars ($2,500) or the mathematical product of the total ownership percentage in you being transferred multiplied by an amount equal to one-third (1/3) of our then-current initial franchise fee ; or (ii) fifty percent (50%) or more of the ownership interests in you (if you are a corporation, limited liability company, or a partnership), all your assets, or a transfer or assignment of this Agreement, then you must pay to us a transfer fee in an amount equal to one-third (1/3) of our then-current initial franchise fee. Our consent to a transfer shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

14.4 No Security Interest. You shall not grant a security interest in your rights under this Agreement, the School, or any of the assets of the School without our prior consent. We may impose such conditions on our consent (if we decide to grant it) that we believe are necessary to protect our rights under this Agreement and in and to the System and the Proprietary Marks.

14.5 Our Right of First Refusal. If any transfer is proposed, you shall notify us and shall provide such information and documentation relating to the proposed transfer (including any prospective transferee's offer) and transferee as we may require. We will have the right and option, exercisable within 30 days after our receipt of such written notification and information, to notify you that we intend to purchase the interests on the same terms and conditions offered by the third party. If we elect to purchase the interests, closing on such purchase shall occur within 30 days from the date of our notice of our election to purchase. If the consideration, terms and/or conditions offered by a third party are such that we are not reasonably able to furnish the same types of consideration, terms and/or conditions, then we may purchase the interests proposed to be transferred for the reasonable equivalent in cash. If you and we cannot agree within 30 days on the reasonable equivalent in cash, an independent appraiser shall be designated by us at our expense, and the appraiser's determination shall be binding. If we elect not to purchase the interests or fail to timely notify you of our election, you may proceed, subject to our consent and satisfaction of any conditions we impose on such consent (as described in Section 14.2 and 14.3), to conclude the transfer on the terms set forth in your notice to us. Any material change in the terms of the

offer from a third party shall constitute a new offer subject to our same rights of first refusal as in the case of the third party's initial offer. Our failure to exercise the option afforded by this Section 14.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 14, with respect to a proposed transfer.

14.6 Death or Incapacity. Upon your death or physical or mental incapacity, or that of any of your owners, the executor, administrator, or personal representative of you or such person, as applicable, shall transfer such interest to a third party we approve within six (6) months after such death or incapacity. Such transfers, including transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of you or such person are unable to meet the conditions in this Section 14, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party we approve within six (6) months, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement.

14.7 Transfer to a Wholly Owned Legal Entity. If you are in full compliance with this Agreement, you may, with 30 days' prior notice to us, transfer this Agreement and the School to a corporation or limited liability company which conducts no business other than your School and, if applicable, other School of Rock Businesses, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the assets of your School are owned, and the business of your School is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement, and you must agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur. You will not be required to pay a transfer fee in connection with a transfer under this Section.

14.8 Public or Private Offerings. You acknowledge that the written information used to raise or secure funds can reflect upon us and the System. You shall submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn. Notwithstanding the foregoing, you acknowledge and agree that you may not engage in a public offering of securities without our prior written consent.

15. DEFAULT AND TERMINATION

15.1 Automatic Termination. You shall be deemed to be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice or opportunity to cure, if: you become insolvent or make a general assignment for the benefit of creditors; a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; you are adjudicated bankrupt or insolvent; a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; proceedings for

a composition with creditors under any state or federal law should be instituted by or against you; a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); you are dissolved; execution is levied against your business or property; suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within 30 days; or the real or personal property of the School is sold after levy thereupon by any sheriff, marshal, or constable.

15.2 Termination Without Opportunity to Cure. In addition to the foregoing, upon the occurrence of any of the following events of default, we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon notice to you, if:

15.2.1 you fail to (a) locate an approved site, (b) sign a lease or otherwise acquire a site, or (c) open the School within the time limits provided in Section 5;

15.2.2 you or the other individuals identified in Section 6.1 fail to complete the Initial Training Program to our satisfaction, or fail to attend additional training as described in Section 6.3;

15.2.3 you at any time cease to operate or otherwise abandon the operation of the School, or lose the right to possession of the Premises, or otherwise forfeit the right to do or transact business in the jurisdiction where the School is located; however, if, through no fault of yours, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within 60 days thereafter, then you shall have 30 days after such event in which to apply for our approval to relocate and/or reconstruct the Premises within the Territory, which approval shall not be unreasonably withheld;

15.2.4 you or any of your owners, officers, or directors, are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or our interest therein; you or any of your owners, officers, or directors commit any acts or engage in any behavior in violation of our codes of conduct (as described in Section 7.16 hereof) or fails to promptly comply with the reporting procedures thereunder; or you or any of your owners, officers, or directors commit any acts or engage in any behavior that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein, including conduct that is fraudulent, unfair, unethical, or deceptive;

15.2.5 a threat or danger to public health or safety results from the construction, maintenance, or operation of the School;

15.2.6 any purported transfer is made to any third party without our prior written consent, or otherwise contrary to the terms of Section 14 hereof;

15.2.7 an approved transfer is not effected within the time provided following death or mental incapacity, as required by Section 14.6 hereof;

15.2.8 you fail to comply with the covenants in Section 17.2 (in-term covenants) or fail to obtain execution of the covenants required under Section 17.10;

15.2.9 you or your owners disclose or divulge the contents of the Manual or other Confidential Information contrary to the terms of Section 10;

15.2.10 you underreport Gross Sales by three percent (3%) or more in three (3) or more separate reports to us;

15.2.11 you knowingly maintain false books or records or submit to us any false reports or other documentation;

15.2.12 you misuse or make any unauthorized or improper use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impair the goodwill associated therewith or our rights therein; or if you fail to utilize the Proprietary Marks solely in the manner and for the purposes we direct;

15.2.13 you refuse to allow us to inspect the Premises or your books, records or accounts upon demand as provided for herein;

15.2.14 upon receiving a notice of default under Section 15.3, you fail to initiate immediately a remedy to cure such default;

15.2.15 after curing any default pursuant to Section 15.3, you commit the same default again within 12 months, whether or not cured after notice;

15.2.16 you sell products or services that we have not approved or purchase any product or service from a supplier we have not approved;

15.2.17 you make any false statement or misrepresentation in your franchise application and/or franchise application materials provided to us; or

15.2.18 you fail to comply with any loan agreements pursuant to which you have granted a security interest, regardless of whether or not we have consented to such grant.

15.3 Notice With Opportunity to Cure. Except as otherwise provided in Sections 15.1 and 15.2 of this Agreement, upon any other default by you, we will give you written notice of such default and an opportunity to cure such default within 30 days of your receipt of such notice (or such longer time period as required by applicable law). We will have the right to terminate this Agreement immediately upon notice to you if you fail to cure any default to our satisfaction, and provide proof thereof, within the 30-day period. Defaults which are susceptible of cure hereunder include, but are not limited to, the following illustrative events:

15.3.1 If you fail to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Manual, or to

carry out the terms of this Agreement (except for the requirements of Section 7.6.6 above) in good faith;

15.3.2 If you fail, refuse or neglect promptly to pay any monies owing to us or our affiliates or any third party when due, or to submit the financial or other information required by us under this Agreement;

15.3.3 If you fail to maintain or observe any of the standards or procedures prescribed by us in this Agreement, the Manual or otherwise in writing;

15.3.4 Except as provided in Section 15.2.6 hereof, if you fail, refuse or neglect to obtain our prior written approval or consent as required by this Agreement;

15.3.5 If you act, or fail to act, in any manner which is inconsistent with or contrary to its lease or sublease for the Premises, or in any way jeopardizes its right to renewal of such lease or sublease;

15.3.6 If you engage in any business or markets any service or product under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks; or

15.3.7 If you fail to comply with all applicable laws, rules and regulations related to the operation of the School (including the applicable provisions of the ADA regarding the construction, design and operation of the School).

15.4 Limitation of Services or Benefits. If we issue you a notice of default and you fail to cure such default within any applicable time period, we may, without waiving our right to terminate this Agreement as a result of such failure, temporarily or permanently limit, curtail, or remove certain services or benefits provided or required to be provided to you hereunder, including restricting your or any of your staff's attendance at any training, meetings, workshops, or conventions; refusing to sell or furnish to you any advertising or promotional materials; refusing to provide you ongoing advice about the operation of the School; refusing any of your requests to approve a new supplier or the use of any advertising or promotional materials; terminating your right to use the Required Software; and restricting your right to perform, organize, sponsor, host or support Live Performances.

You shall hold us harmless with respect to any action we take pursuant to this Section 15.4; and you agree that we shall not be liable for any loss, expense, or damage you incur because of any action we take pursuant to this Section 15.4. Nothing in this Section 15.4 constitutes a waiver of any of our rights or remedies under this Agreement or any other agreement between us and you, including the right to terminate this Agreement. You agree that our exercise of our rights pursuant to this Section 15.4 shall not be deemed a constructive termination of this Agreement or of any other agreement between us and you, and shall not be deemed a breach of any provision of this Agreement. We may, in our discretion, reinstate any services or benefits removed, curtailed, or limited pursuant to this Section 15.4, and you agree to accept immediately any such reinstatement of services or benefits so removed, curtailed, or limited. If we limit any services or benefits under this Section 15.4, you shall continue to pay timely all fees and payments required under this

Agreement and any other agreement between us and you, including any fees associated with services or benefits limited by us. You shall have no right to a refund of any fees paid in advance for such services or benefits.

15.5 Cross-Default. Any default by you under any other agreement between us or our affiliates as one party, and you or any of your owners or affiliates as the other party, that is so material as to permit us or our affiliates to terminate such other agreement, shall be deemed to be a default of this Agreement, and we shall have the right, at our option, to terminate this Agreement without affording you an opportunity to cure, effective immediately upon notice to you.

15.6 Step-In Rights. In the event we have provided you with a notice of default hereunder which is either incurable or uncured, we will have the right, but not the obligation, to step in and operate the School for such period of time as we deem necessary, in our reasonable business judgment, under the circumstances. In the event we exercise such right, you must indemnify and hold us harmless under the terms of Section 20.3 hereof for our operation of the School, except in the case of our gross negligence or reckless misconduct and you must immediately reimburse us for any and all out of pocket expenses we incur in operating the School during such time-period. You consent to our using monies from the School's Gross Sales for such reimbursement. All rights under this Section 15.6 are in addition to all other rights and remedies available to us under this Agreement, including without limitation our right to terminate this Agreement under this Section 15.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

16.1 Cease Operations. You shall immediately cease to operate the School, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as our present or former franchisee.

16.2 Cease Use of and Return Confidential Information and Proprietary Marks. You shall immediately and permanently cease to use, in any manner whatsoever, and return to us, at your expense, any Confidential Information (and any copies thereof, even if such copies were made in violation of this Agreement), the Proprietary Marks and any other distinctive forms, slogans, signs, symbols and devices associated with the System, including all signs, advertising materials, displays, stationery, forms, products and any other articles which display the Proprietary Marks. You shall retain no copy or record of any of the foregoing, with the exception of your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law

16.3 Cancellation of Registrations. You shall take such action as may be necessary to cancel any assumed name registration or equivalent registration you obtained which contains any Proprietary Mark.

16.4 Assignment of Lease. You shall, at our option, assign to us or our designee any interest which you have in any Lease for the Premises. In the event we do not elect to exercise our option to have you assign the Lease, you shall make such modifications or alterations to the Premises (including assigning to us the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of the School under the System, and shall make such specific additional changes thereto as we may reasonably request for that purpose. If you fail or refuse to comply with the requirements of this Section 16.4, we have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you agree to pay upon demand.

16.5 Payment. You shall promptly pay all sums owing to us and our affiliates. If the termination is due to your default, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, we incur as a result of the default.

16.6 Subsequent Use of Proprietary Marks Prohibited. You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in our discretion, is likely to cause confusion, mistake or deception, or which is likely to dilute our rights in and to the Proprietary Marks. You further agree not to utilize any designation of origin, description or representation (including reference to us, the System or the Proprietary Marks), which, in our discretion, suggests or represents a present or former association or connection with us, the System or the Proprietary Marks.

16.7 Return Manual. You shall immediately deliver to us the Manual and all other records, correspondence and instructions containing confidential information relating to the operation of the School (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be our property, and shall retain no copy or record of any of the foregoing, with the exception of your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

16.8 Websites. You shall immediately irrevocably assign and transfer to us or our designee any and all interests you may have in any websites you maintain in connection with the School and in the domain name and home page address related to such website. You shall immediately execute any documents and perform any other actions we require to effectuate such assignment and transfer and otherwise ensure that all rights in such website revert to us or our designee, and hereby appoint us as your attorney-in-fact to execute such documents on your behalf if you fail to do so. You shall cease use of any School of Rock domain name, URL, or home page address, and shall not establish any website using any similar or confusing domain name, URL, and/or home page address.

16.9 Our Option to Purchase Equipment. We shall have the option, to be exercised within 30 days after termination, to purchase from you any or all of the furnishings, equipment, signs, fixtures, supplies, and inventory related to the operation of the School at fair market value

or at your depreciated book value, whichever is less. If you and we are unable to agree as to a purchase price and terms, the fair market value of such equipment and property shall be determined by three appraisers chosen in the following manner: you shall select one appraiser at your expense; we will select one appraiser at our expense; and the two appraisers so chosen shall select a third appraiser. The decision of the majority of the appraisers so chosen shall be conclusive. The cost of the third appraiser shall be shared equally by us and you. If we elect to exercise our option to purchase, we shall have the right to set off all amounts due from you, and the cost of the appraisal, if any, against any payment therefor.

16.10 Liquidated Damages. In the event this Agreement is terminated due to your closing of the School prior to the end of the Term, or for any other default by you hereunder based on extenuating circumstances (as we determine), in addition to the amounts set forth in Section 16.5 hereof, we reserve the right to require that you promptly pay us a lump sum payment (as damages and not as a penalty) for breaching this Agreement in an amount equal to the royalty fees and Brand Fund fees you would have paid, as described in this Section 16.10. The amount of such payment will be calculated as (a) the average weekly royalty fees and Brand Fund fees payable by you under Sections 4.2 and 12.3 above during the 52 weeks immediately preceding the date of termination (or such shorter time period if the School has been open less than 52 weeks, (b) multiplied by the lesser of (i) 88 weeks, or (ii) the number of weeks then remaining in the Term. If you have failed to provide all required financial records, we may estimate these sums based upon our records. You acknowledge that a precise calculation of the full extent of the damages we will incur in the event of termination of this Agreement as a result of your default is difficult to determine and that this lump sum payment is reasonable in light of the damages we will incur for the pre-mature termination of this Agreement. This lump sum payment will be in lieu of our damages for lost future royalty fees or Brand Fund fees as a result of your default, but it shall be in addition to all amounts provided above in Section 16.5 and any attorneys' fees and other costs and expenses to which we are entitled under the terms of this Agreement, including but not limited to, Section 26.7 below. Your payment of this lump sum will not affect our right to obtain relief for its other rights under this Agreement, including without limitation, appropriate injunctive relief and remedies to enforce this Section 16, the covenants set forth in Sections 10 and 17, and its trademark rights under Section 8.

16.11 Compliance With Covenants. You, your owners and members of your and their immediate families shall comply with the covenants contained in Section 17.3.

16.12 Student Contracts. On our written request, you shall either assign existing student contracts to us or our designee, or immediately refund to existing customers any and all monies paid to you by such customers for services that have not been rendered and, as a result of the termination or expiration of this Agreement, will not be rendered to such customers. You shall provide us with all current and prospective customer lists and information in your possession.

16.13 Evidence of Compliance. You shall furnish us with evidence satisfactory to us of compliance with the obligations of this Section 16 within 30 days after termination or expiration of this Agreement.

17. COVENANTS

17.1 Best Efforts. You covenant that, during the Term, except as we might otherwise approve, you and your owners, or a full-time General Manager designated by you, shall devote full time and best efforts to the management and operation of your School of Rock Business. You also must designate a full-time Music Director. You and, as we may require, your General Manager and Music Director (or an appropriate designee) must all attend and successfully complete our Initial Training Program, as described in Section 6 above.

17.2 In-Term Covenants. You acknowledge that you will receive valuable, specialized training and confidential information, including information regarding us and the operational, sales, promotional, and marketing methods and techniques of the System. You covenant that during the Term of this Agreement, except as we might otherwise approve, you, your owners and members of your and their immediate families shall not, either directly or indirectly, or through, on behalf of, or in conjunction with any person or legal entity:

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

17.2.2 Own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any business that: (a) is substantially similar to a School of Rock Business; or (b) offers or sells services that are the same as or similar to the services being offered by a School of Rock Business under the System, including music instruction or live music performances.

17.3 Post-Term Covenants. You covenant that, except as we might otherwise approve, you, your owners and the members of your and their immediate families shall not, for a continuous uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 14 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 17.3; or (e) any or all of the foregoing; either directly or indirectly, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business that: (a)(i) is substantially similar to a School of Rock Business; or (ii) offers or sells services that are the same as or similar to the services being offered by a School of Rock Business under the System, including music instruction or live music performances; and (b) is, or is intended to be, located at or within:

17.3.1 the Territory;

17.3.2 Ten (10) miles of the Premises; or

17.3.3 Ten (10) miles of any School of Rock Business;

provided, however, that Sections 17.2.2 and this Section 17.3 shall not apply to the authorized operation by you of a School of Rock Business under the System pursuant to this Agreement or another franchise agreement with us. Before any violation of an activity restriction occurs, either you or we, upon written notice to the other, shall have the right to have determined whether the covenant contained in this Section 17.3 is a reasonable restriction on post-term activities by requesting that the scope of the restrictions be submitted to arbitration in accordance with Section 26.3 of this Agreement solely for the purpose of determining prospectively whether any reduction in the scope of the restrictions is appropriate. In such event, the decision of the arbitrator regarding the scope of the restriction shall be final and binding upon the parties. You shall not engage in any competitive activities in violation of this Section 17.3 pending resolution of the dispute. Any violation of the activity restrictions may be enforced in a court of law by injunction in accordance with Section 26.5 of this Agreement.

17.4 No Application to Equity Securities. Sections 17.2.2 and 17.3 shall not apply to ownership of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

17.5 Reduction of Scope of Covenants. We shall have the right, in our discretion, to reduce the scope of any covenant set forth in Sections 17.2 and 17.3, or any portion thereof, without your consent, effective immediately upon your receipt of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 24 hereof.

17.6 No Defense. You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section 17. You agree to pay all costs and expenses (including reasonable attorneys' fees) we incur in connection with the enforcement of this Section 17.

17.7 Independent Covenants. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 17 is held unreasonable or unenforceable by a court, arbitrator, or agency having valid jurisdiction in an unappealed final decision to which we are a party, you shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 17.

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

17.9 Our Costs and Expenses. You shall pay us all damages, costs, and expenses, including reasonable attorneys' fees, we incur in obtaining injunctive or other relief for the enforcement of any provision of this Section 17.

17.10 Confidentiality and Non-Competition Agreements. You shall require your Music Director and your General Manager to execute confidentiality and non-competition covenants in the form attached as Exhibit D as a condition of their employment or hire. In addition, you shall require all other employees who have access to any of our Confidential Information to sign confidentiality and non-solicitation covenants in a form we may provide or approve, as a condition of their employment or hire.

18. CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY

18.1 Legal Entity. If you are a corporation, partnership, limited liability company or other legal entity, you shall comply with the following requirements:

18.1.1 You shall be newly organized and your charter shall at all times provide that your activities are confined exclusively to operating School of Rock Businesses; and

18.1.2 Copies of your articles of formation, Bylaws and other governing documents, and any amendments thereto, including the resolution of your governing body authorizing entry into this Agreement, shall be promptly furnished to us.

18.2 Guaranty and Indemnification. If you are a corporation, partnership, limited liability company or other legal entity, then all of your owners shall execute a Guarantee, Indemnification, and Acknowledgment in the form attached hereto as Exhibit E-1, and their spouses shall execute a Guarantee, Indemnification, and Acknowledgment in the form attached hereto as Exhibit E-2.

19. TAXES, PERMITS, AND INDEBTEDNESS

19.1 Payment of Taxes. You shall promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred in the operation of the School. You shall pay to us an amount equal to any state or local taxes, including, without limitation, sales, use, service, occupation, employment related, excise, gross receipts, income, property or other taxes, that may be imposed on us as a result of our receipt or accrual of the initial franchise fee, royalty fees, advertising fees, renewal fees, and all other fees that are referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly, unless the tax is credited against income tax otherwise payable by us. In such event, you shall pay us (or to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

19.2 Contesting Tax Liability. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises, or any improvements thereon.

19.3 Permits and Licenses. You shall comply with all federal, state, and local laws, rules, and regulations and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the School, including licenses to do business, fictitious name registrations, occupancy licenses, sales tax permits, construction permits, health permits, building permits, handicap permits and fire clearances.

19.4 Notification of Adverse Action. You shall immediately notify us in writing of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the School.

20. INDEPENDENT CONTRACTOR; INDEMNIFICATION

20.1 Independent Contractor. This Agreement does not create a fiduciary relationship between us and you for any purpose. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever. During the Term, you shall hold yourself out to the public as an independent contractor operating the School pursuant to a franchise agreement with us. You shall take such action as may be necessary to do so, including exhibiting a notice of that fact in a conspicuous place at the Premises, the content of which we reserve the right to specify or approve. Notwithstanding any other provision of this Agreement, you acknowledge and agree that you have the sole authority, and that it is your sole obligation under this Agreement, to make all personnel and employment decisions for the School, including, without limitation, decisions related to hiring, training, firing, discharging and disciplining employees, and to supervising your employees, setting their wages, hours of employment, record-keeping, and any benefits, and that we shall have no direct or indirect authority or control over any employment-related matters for your employees. You shall require each of your employees to acknowledge in writing that you (and not we) are the employer of such employee.

20.2 No Authority to Contract. You are not authorized to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name; and we shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall we be liable by reason of any of your acts or omissions in the development or operation of the School or for any claim or judgment arising therefrom.

20.3 Indemnification. You shall indemnify and hold us and our affiliates, and their respective officers, directors and employees (the "**Indemnitees**") harmless against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with the development and operation of the School, the business conducted under this Agreement, or your breach of this Agreement, including those alleged to be caused by an Indemnitee's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by the Indemnitee's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction, as well as the costs, including reasonable attorneys' fees, of defending

against them. In the event we incur any costs or expenses, including legal fees, travel expenses, and other charges, in connection with any proceeding involving you in which we are not a party, you shall reimburse us for all such costs and expenses promptly upon presentation of invoices. Your indemnification and hold harmless obligations under this Section 20.3 shall survive the termination or expiration of this Agreement. Nothing herein shall preclude an Indemnitee from choosing its own legal counsel to represent it in any lawsuit, arbitration, or other dispute resolution.

21. APPROVALS AND WAIVERS

21.1 Approval and Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us therefor. Wherever our consent or approval is required or we are authorized to make a determination, such consent, approval or determination will be valid only if in writing signed by us. Except where this Agreement expressly obligates us reasonably to approve, consent or determine or not unreasonably to withhold our approval of or consent to any action or request, we have the absolute right to make the determination or to grant, grant subject to conditions we impose, or refuse to grant our approval or consent.

21.2 No Warranties or Guarantees. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

21.3 No Waiver. No failure to exercise any power reserved to us by this Agreement, or to insist upon your strict compliance with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms hereof. Our waiver of any of your defaults shall not affect or impair our rights with respect to any subsequent default of the same, similar, or different nature; nor shall our delay or failure to exercise any power or right arising out of any of your defaults of any of the terms, provisions, or covenants hereof, affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its Term. Our subsequent acceptance of any payments due to us hereunder shall not be deemed to be our waiver of any preceding breach by you of any terms, covenants, or conditions of this Agreement.

22. GRANT OF SECURITY INTEREST

As security for the payment of all amounts from time to time owing by you to us or our affiliates under this Agreement and all other agreements, and performance of all obligations to be performed by you, you hereby grant to us a security interest in all of your assets, including all equipment, furniture, fixtures, and building and road signs used in the operation of the School, as well as all proceeds of the foregoing (the "**Collateral**"). You warrant and represent that the security interest granted hereby is prior to all other security interests in the Collateral except bona fide purchase money security interests, or security interests held by financial institutions, if any, to which we have provided a written subordination. You agree not to remove the Collateral, or any portion thereof, from the Premises without our prior written consent. Upon the occurrence of

any event entitling us to terminate this Agreement or any other agreement between the parties, we shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which the School is located, including the right to take possession of the Collateral. You authorize us to file one or more financing statements to perfect our security interest in and to the Collateral and agree to execute and deliver to us financing statements or such other documents as we reasonably deem necessary to perfect our interest in the Collateral within 10 days of your receipt of such documents from us.

23. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including private delivery, courier service, or facsimile), which shall not include electronic communication, such as e-mail, to the respective parties at the addresses shown in the opening paragraph of this Agreement, unless and until a different address has been designated by written notice to the other party, to the attention of the following:

Notices to us: Attn: Chief Development Officer

Notices to you: Attn: _____

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

24. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between us and you concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced you to execute this Agreement. Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement shall be binding on either of us unless mutually agreed to and executed by you and our authorized officers or agents in writing. Nothing in this Agreement shall be deemed a waiver of any rights you may have to rely on the Franchise Disclosure Document we have provided to you prior to your execution of this Agreement.

25. SEVERABILITY AND CONSTRUCTION

25.1 Severability. If, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

25.2 Survival. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination or assignment, including Sections 10, 17, and 26.

25.3 No Rights or Remedies Conferred. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than us and you any rights or remedies under or by reason of this Agreement.

25.4 Promises and Covenants. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court, arbitrator, or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

25.5 Captions and Headings. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

25.6 Construction. Wherever we have reserved the right to take action "in our discretion," we may do so in our "sole" discretion unless otherwise provided. References in this Agreement to "including" mean "including, without limitation" or "including but limited to," as the context requires, unless otherwise provided. This Agreement may be executed in multiple copies, each of which will be deemed an original. Signatures delivered by facsimile or electronically shall be deemed and have the same force as an original.

25.7 Force Majeure. Neither we, nor our affiliates, or you shall be responsible or liable for any delays in the performance of any duties under this Agreement which are not the fault or within the reasonable control of us, our affiliates, or you including, but not limited to, fire, flood, natural disasters, acts of God, pandemics, epidemics, delays in deliveries by common carriers, governmental acts or orders, late deliveries of products or goods or furnishing of services by third party vendors, civil disorders, or strikes and any other labor-related disruption, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay or impossibility. Provided, however, this clause shall not apply to and not result in an extension of: (1) the time for payments to be made by you as required by Section 4 hereof; or (2) the term of this Agreement.

26. APPLICABLE LAW

26.1 Applicable Law. This Agreement shall be interpreted and construed exclusively under the laws of the Commonwealth of Massachusetts. In the event of any conflict of law, the laws of Massachusetts shall prevail, without regard to the application of Massachusetts conflict-

of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Massachusetts and if you are located outside of Massachusetts and such provision would be enforceable under the laws of the state in which you are located, then such provision shall be interpreted and construed under the laws of that state.

26.2 Arbitration. Except as otherwise provided herein, any dispute, claim or controversy arising out of or relating to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the entry, making, interpretation, or performance of either party under this Agreement shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Such arbitration shall take place before a sole arbitrator in Boston, Massachusetts at a location we determine in our discretion, and you agree not to file an objection to such locale. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall, in the award, allocate all of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between you and us. This agreement to arbitrate shall survive any termination or expiration of this Agreement. No arbitration, action, or proceeding under this Agreement shall add as a party, by consolidation, joinder, or in any other manner, any person or party other than us and you and any person in privity with, or claiming through, in the right of, or on behalf of, us and you, unless both parties consent in writing. We have the absolute right to refuse such consent. All such proceedings for which consent is not granted shall be conducted on an individual, not a class-wide, basis.

26.3 Jurisdiction and Venue. Any action that is not otherwise subject to arbitration under Section 26.2 (including all appeals from or relating to arbitration hereunder), whether or not arising out of, or relating to, this Agreement, brought by you (or any of your owners) against us shall be brought in the U.S. District Court presiding in Boston, Massachusetts, or, if such court does not have competent jurisdiction, in a state court located in such district. We shall have the right to commence an action against you in any court of competent jurisdiction. You waive all objections to personal jurisdiction or venue for purposes of this Section 26.3 and agree that nothing in this Section 26.3 shall be deemed to prevent us from removing an action from state court to federal court.

26.4 No Exclusivity. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

26.5 Injunctive Relief. Nothing in this Agreement (including, without limitation, Sections 26.2 and 26.3 above) shall bar our right to obtain injunctive relief from any court of competent jurisdiction against threatened conduct that will cause us loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

26.6 Limitation of Claims. You agree that any and all claims you have against us and/or our affiliates, principals, employees and agents, arising out of, or relating to, this Agreement may not be commenced unless you bring them before the earlier of (a) the expiration of one (1) year after the act, transaction, or occurrence upon which such claim is based; or (b) one (1) year after this Agreement expires or is terminated for any reason. You agree that any claim or action not brought within the periods required under this Section 26.6 shall forever be barred as a claim, counterclaim, defense, or set off.

26.7 Our Costs and Expenses. Except as expressly provided by Section 26.2 hereof, you shall pay all expenses, including attorneys' fees and costs, incurred by us, our affiliates, and our or their successors and assigns (a) to remedy any defaults of, or enforce any rights under, this Agreement; (b) to effect termination of this Agreement; and (c) to collect any amounts due under this Agreement.

26.8 WAIVER OF RIGHT TO A JURY AND PUNITIVE DAMAGES. YOU AND WE KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE OUR RESPECTIVE RIGHTS TO A TRIAL BY JURY AND WAIVE ANY CLAIM FOR PUNITIVE, MULTIPLE, AND/OR EXEMPLARY DAMAGES, EXCEPT THAT WE SHALL BE FREE AT ANY TIME HEREUNDER TO BRING AN ACTION FOR WILLFUL TRADEMARK INFRINGEMENT AND, IF SUCCESSFUL, TO RECEIVE AN AWARD OF MULTIPLE DAMAGES AS PROVIDED BY LAW.

27. REPRESENTATIONS AND ACKNOWLEDGEMENTS

27.1 Independent Investigation. You acknowledge that you have conducted an independent investigation of the business franchised hereunder, and recognize that the business venture contemplated by this Agreement is speculative and involves business risks, and that its success depends to a material extent upon the ability of you (or, if you are a corporation, partnership or limited liability company, the ability of your principals) as an independent businessperson, as well as other factors. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement, and you represent and warrant that you have not entered into this Agreement in reliance upon any representation, oral or written, by us as to potential or expected sales or profits.

27.2 Compliance With Anti-Terrorism Laws. You acknowledge that under applicable U.S. law, including Executive Order 13224, signed on September 23, 2001 (the "**Executive Order**"), we are prohibited from engaging in any transaction with any Specially Designated National or Blocked Person. "Specially Designated National" or "Blocked Person" shall mean (1) those persons designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time-to-time as a "specially designated national" or "blocked person" or similar status, (2) a person engaged in, or aiding any person engaged in, acts of terrorism, as defined in the Order, or (3) a person otherwise identified by government or legal authority as a person with whom we are prohibited from transacting business. Currently, the listing of such designations can be searched or downloaded from https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists. Accordingly, you

represent and warrant to us that as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you, is designated under the Executive Order as a person with whom business may not be transacted by us, and that you (a) do not, and hereafter shall not, engage in any terrorist activity; (b) are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (c) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

27.3 Acknowledgment of Receipt. You acknowledge that you received our current Franchise Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed or you paid any money to us. You further acknowledge that you received a complete copy of this Agreement, the attachments hereto, and all related agreements attached to the Franchise Disclosure Document, and that you waited at least seven (7) calendar days prior to executing them if any changes to such agreements were unilaterally and materially made by us.

27.4 Acknowledgment of Understanding; Opportunity to Consult. You acknowledge that you have read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that we have accorded you ample time and opportunity to consult with an attorney or other advisor of your own choosing about the potential benefits and risks of entering into this Agreement.

27.5 Consent to Maintenance of Electronic Records and to Electronic Signatures. You expressly consent and agree that we may provide and maintain all disclosures, agreements, amendments, notices, and all other evidence of transactions between you and us in electronic form. You expressly agree to execution of the Franchise Agreement and related agreements by electronic means and that such execution shall be legally binding and enforceable as an "electronic signature" and the legal equivalent of your handwritten signature. You expressly agree that electronic copies of the Franchise Agreement and related agreements between you and us are valid. You expressly agree not to contest the validity of the originals or copies of the Franchise Agreement and related agreements, absent proof of altered data or tampering.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate on the date first above written.

SCHOOL OF ROCK FRANCHISING, LLC _____

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date*: _____ Date: _____
(*This is the Effective Date)

EXHIBIT A TO
SCHOOL OF ROCK
FRANCHISE AGREEMENT

APPROVED LOCATION; TERRITORY; OWNERS

1. **Approved Location.** The Approved Location under this Agreement shall be: _____ _____.

2. **Territory.** The Territory under this Agreement shall consist of the following geographic area:

_____
_____
_____

3. **Owners.** The following is a complete list of all of your shareholders, partners, or members ("**Owners**") and the percentage ownership interest of each such individual:

Name	Position	Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SCHOOL OF ROCK FRANCHISING, LLC _____

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

EXHIBIT B TO
SCHOOL OF ROCK
FRANCHISE AGREEMENT

LEASE RIDER

[The following language must be included in your Lease pursuant to Section 5.2 of the Franchise Agreement.]

If Lessee, a franchisee of School of Rock Franchising, LLC (the "Company"), shall be in default under any of the provisions of its lease and Lessor has the right to terminate the same; or if such Lessee is in default under any of the provisions of its Franchise Agreement with the Company, and the Company has the right to terminate said Franchise Agreement; or if the lease or Franchise Agreement is terminated for any reason; or if Lessee desires to assign its lease to the Company, Lessor and Lessee agree that the Company shall have the right, subject to applicable law, but not the obligation, to assume the obligations of the Lessee under said lease upon the same terms and conditions, in which event, and upon the exercise of such right, the Company shall take immediate possession of the subject premises as if it was the tenant named in said lease. Lessor shall notify the Company of any default of Lessee at the same time notice is given to Lessee, and the Company may, but is under no obligation to, cure such default.

EXHIBIT C TO
SCHOOL OF ROCK
FRANCHISE AGREEMENT

ADA CERTIFICATION

School of Rock Franchising, LLC ("we" or "us") and _____ ("you") are parties to a franchise agreement dated _____ (the "Franchise Agreement") for the operation of a School of Rock business at _____ _____ (the "Premises"). In accordance with Section 5.4 of the Franchise Agreement, you certify to us that, to the best of your knowledge, the Premises and its adjacent areas comply with all applicable federal, state, and local accessibility laws, statutes, codes, rules, regulations and standards, including the Americans with Disabilities Act ("ADA"). You acknowledge that we have relied on the information contained in this certification. Furthermore, you agree to indemnify us and our officers, directors, and employees in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with your compliance (or failure to comply) with the ADA, as well as the costs, including attorneys' fees, related to the same.

IN WITNESS WHEREOF, the parties hereto have duly executed this ADA Certification on the date first above written.

_____

By: _____

Name: _____

Title: _____

EXHIBIT D TO
SCHOOL OF ROCK
FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(For signature by all owners, Music Directors, General Managers, assistant managers, and other personnel having access to any Confidential Information)

In consideration of my being a _____ of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. By agreement dated _____, 20__ ("Franchise Agreement") between the Franchisee and School of Rock Franchising, LLC (the "Company"), the Franchisee has acquired the right and obligation to establish and operate a School of Rock business (the "School") under the Company's trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin (the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of School of Rock businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion.

2. The Company possesses certain confidential information, knowledge or know-how concerning the methods of operation of the School, including operating manuals and teaching programs, methods, and materials, which may be communicated to the Franchisee or of which the Franchisee may be apprised by virtue of the Franchisee's operation under the terms of the Franchise Agreement (the "Confidential Information"). Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of the Franchise Agreement and this Agreement.

3. I understand and acknowledge that, as an employee of the Franchisee, the Company and the Franchisee will disclose some or all of the Confidential Information to me in furnishing to me initial and ongoing training, the operating manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchisee's business and the School during the term of the Franchise Agreement, and I understand and acknowledge that the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. I understand and acknowledge that the Confidential Information is proprietary to the Company, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as an employee of the Franchisee, and will continue not to disclose or

use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of the Franchisee under the Franchise Agreement.

6. Except as otherwise approved in writing by the Company, I will not, while in my position with the Franchisee, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business which: (a) is substantially similar to a School of Rock business; or (b) offers or sells services that are the same as or similar to the services being offered by a School of Rock business under the System, including music instruction or live music performances; and for a continuous uninterrupted period commencing upon the cessation or termination of my position with the Franchisee, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business which: (a)(i) is substantially similar to a School of Rock business; or (ii) offers or sells services that are the same as or similar to the services being offered by a School of Rock business under the System, including music instruction or live music performances; and (b) is, or is intended to be, located at or within: (i) the Territory, which I acknowledge has been described to me; or (ii) ten (10) miles of any School of Rock business operating under the System and the Proprietary Marks.

The prohibitions in this Section 6 do not apply to my interests in or activities performed in connection with a School of Rock business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

7. I 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 an unappealed final decision to which the Company is a party, I expressly agree 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.

8. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. I understand and acknowledge that the Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and

the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement.

10. This Agreement shall be construed under the laws of the Commonwealth of Massachusetts. Except as provided in Paragraph 8 above, the only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature:_____

Name:_____

Address:_____

Title:_____

ACKNOWLEDGED BY FRANCHISEE

By:_____

Name:_____

EXHIBIT E-1 TO
SCHOOL OF ROCK
FRANCHISE AGREEMENT

GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT
(OWNERS)

As an inducement to School of Rock Franchising, LLC (the "Company") to execute the Franchise Agreement between the Company and _____ (the "Franchisee") dated _____ (the "Agreement"), the undersigned (the "Guarantors"), jointly and severally, hereby unconditionally guarantee to the Company and its successors and assigns that all of the Franchisee's obligations under the Agreement will be punctually paid and performed.

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

The Guarantors hereby agree to defend, indemnify, and hold the Company harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by the Franchisee to perform any obligation of the Franchisee under the Agreement, any amendment thereto, or any other agreement executed by the Franchisee referred to therein.

The Guarantors hereby acknowledge and agree to be individually bound by all of the confidentiality provisions and non-competition covenants contained in Sections 10 and 17 of the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement or upon the transfer or assignment of the Agreement by the Franchisee, except that all obligations and liabilities of the Guarantors that arose from events which occurred on or before the effective date of such termination, expiration, transfer, or assignment of the Agreement shall remain in full force and effect until satisfied or discharged by the Guarantors, and all covenants which by their terms continue in force after the termination, expiration, transfer, or assignment of the Agreement shall remain in force according to their terms. This Guarantee shall not terminate upon the transfer or assignment of the Agreement or this Guarantee by the Company. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for

defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement and shall be interpreted and construed in accordance with Section 26 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the Commonwealth of Massachusetts. In the event of any conflict of law, the laws of Massachusetts shall prevail, without regard to, and without giving effect to, the application of the Commonwealth of Massachusetts conflict of law rules.

The Guarantors agree that the dispute resolution and attorney fee provisions in Section 26 of the Agreement are hereby incorporated into this Guarantee by reference, and references to the Franchisee and the Franchise Agreement therein shall be deemed to apply to the Guarantors and this Guarantee, respectively, herein.

Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including private delivery, courier service, or facsimile), which shall not include electronic communication, such as e-mail, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to the Company: School of Rock Franchising, LLC
1 Wattles Street
Canton, MA 02021
Phone: (720) 398-5981
Attn: Chief Development Officer

Notices to the Guarantors: _____
_____
_____
Attn: _____
E-mail: _____

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Guarantors has signed this Guarantee as of the date of the Agreement.

GUARANTORS

By:_____

Name:_____

Phone:_____

By:_____

Name:_____

Phone:_____

By:_____

Name:_____

Phone:_____

EXHIBIT E-2 TO
SCHOOL OF ROCK
FRANCHISE AGREEMENT

GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT
(OWNERS' SPOUSES)

As an inducement to School of Rock Franchising, LLC (the "Company") to execute the Franchise Agreement between the Company and _____ (the "Franchisee") dated _____ (the "Agreement") (the performance of which is guaranteed by Franchisee's owners _____ (each an "Owner" and, together, the "Owner Guarantors")), the undersigned spouses of the Owners (each a "Spousal Guarantor" and, together, the "Spousal Guarantors"), jointly and severally, hereby guarantee to the Company and its successors and assigns, on the terms described herein, that all of the Franchisee's obligations under the Agreement will be punctually paid.

The Spousal Guarantors acknowledge and agree that if Franchisee and Owner Guarantors fail to make any payment to the Company required under the Agreement when such payment is due, then upon demand by the Company, the Spousal Guarantors will immediately make each payment to the Company required of the Franchisee under the Agreement. The Spousal Guarantors hereby waive any right to require the Company to: (a) proceed against the Franchisee or Owner Guarantors for any payment required under the Agreement; (b) proceed against or exhaust any security from the Franchisee or Owner Guarantors; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against the Franchisee or Owner Guarantors. Without affecting the obligations of the Spousal Guarantors under this Guarantee, the Company may, without notice to the Spousal Guarantors, extend, modify, or release any indebtedness or obligation of the Franchisee, or settle, adjust, or compromise any claims against the Franchisee. The Spousal Guarantors waive notice of amendment of the Agreement and notice of demand for payment by the Franchisee and agree to be bound by any and all such amendments and changes to the Agreement.

The Spousal Guarantors hereby acknowledge and agree to be individually bound by all of the confidentiality provisions and non-competition covenants contained in Sections 10 and 17 of the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement or upon the transfer or assignment of the Agreement by the Franchisee, except that all payment obligations of the Spousal Guarantors that arose from events which occurred on or before the effective date of such termination, expiration, transfer, or assignment of the Agreement shall remain in full force and effect until satisfied or discharged by the Spousal Guarantors, and all covenants which by their terms continue in force after the termination, expiration, transfer, or assignment of the Agreement shall remain in force according to their terms. This Guarantee shall not terminate upon the transfer or assignment of the Agreement or this Guarantee by the Company. Upon the death of an individual Spousal Guarantor, the estate of such Spousal Guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other Spousal Guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement and shall be interpreted and construed in accordance with Section 26 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the Commonwealth of Massachusetts. In the event of any conflict of law, the laws of Massachusetts shall prevail, without regard to, and without giving effect to, the application of the Commonwealth of Massachusetts conflict of law rules.

The Spousal Guarantors agree that the dispute resolution and attorney fee provisions in Section 26 of the Agreement are hereby incorporated into this Guarantee by reference, and references to the Franchisee and the Franchise Agreement therein shall be deemed to apply to the Spousal Guarantors and this Guarantee, respectively, herein.

Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including private delivery, courier service, or facsimile), which shall not include electronic communication, such as e-mail, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to the Company:
School of Rock Franchising, LLC
1 Wattles Street
Canton, MA 02021
Phone: (720) 398-5981
Attn: Chief Development Officer

Notices to the Spousal Guarantors: _____
_____
_____
Attn: _____
E-mail: _____

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Spousal Guarantors has signed this Guarantee as of the date of the Agreement.

SPOUSAL GUARANTORS

By:_____

Name:_____

Phone:_____

By:_____

Name:_____

Phone:_____

By:_____

Name:_____

Phone:_____

EXHIBIT G-2 TO
FRANCHISE DISCLOSURE DOCUMENT

RENEWAL AMENDMENT TO FRANCHISE AGREEMENT

(See attached.)

SCHOOL OF ROCK FRANCHISE AGREEMENT
RENEWAL AMENDMENT

THIS RENEWAL AMENDMENT ("**Amendment**"), effective as of _____ _____, is by and between School of Rock Franchising, LLC, a Pennsylvania limited liability company with its principal place of business at 1 Wattles Street, Canton, MA 02021 ("Franchisor"); and _____, a[n] _____ _____ with its principal place of business at _____ _____ ("**Franchisee**").

WITNESSETH:

WHEREAS, Franchisee has operated a School of Rock franchise at _____ (the "School of Rock Business") pursuant to a prior franchise agreement entered into between Franchisor and Franchisee (the "Prior Agreement");

WHEREAS, Franchisor and Franchisee have entered into a certain School of Rock Franchise Agreement effective as of _____ (the "Franchise Agreement") for the purpose of renewing Franchisee's rights granted under the Prior Agreement; and

WHEREAS, Franchisor and Franchisee desire to amend the terms of the Franchise Agreement as set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. Recital "C" on Page 1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> You have operated a School of Rock Business under the System and Proprietary Marks under a franchise agreement, and wish to enter into a renewal franchise agreement with us to continue to operate such School. We are willing to grant you those rights, as described in this Agreement, in reliance on all of the information, representations, warranties and acknowledgements you and your owners (if you are a legal entity) have provided to us in support of your request.

2. Section 1.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> Grant of Franchise. You shall operate the School of Rock Business only at and from the location identified in Exhibit A (the "Approved Location"). The School of Rock Business you are licensed to operate under this Agreement is referred to as the

"**School**" and shall include the Little Wing Program described in Section 1.2 hereof.

3. Section 2.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> Term. This Agreement shall begin on the Effective Date and, except as otherwise provided herein, shall continue until the 5th anniversary of the Effective Date (the "**Term**").

4. The first sentence of Section 2.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> Successor Franchise. Subject to the conditions set forth in this Section 2.2, on expiration of this Agreement, you will be entitled to acquire a total of two (2) successor franchises for consecutive terms of five (5) years each.

5. Section 3.1.8 (Site Selection) of the Franchise Agreement is hereby deleted in its entirety.

6. Section 4.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> Successor Franchise Fee. On execution of this Agreement, you shall pay us a non-refundable successor franchise fee of [_____($_____)] the "Successor Franchise Fee"). The entire Successor Franchise Fee is fully earned and non-refundable in consideration of administrative and other expenses we incur in entering into this Agreement and for our lost or deferred opportunity to enter into this Agreement with others.

7. Sections 5.1, 5.3, 5.5 and 5.6 of the Franchise Agreement are hereby deleted in their entirety.

8. Section 7.10 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> Inventory. You shall stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand.

9. Section 12.1 (Grand Opening Marketing) of the Franchise Agreement is hereby deleted in its entirety.

10. Franchisee and the undersigned principals, for themselves and their respective assigns, beneficiaries, executors, trustees, administrators, subrogees, agents, representatives, employees, officers, directors, partners, parent corporations, subsidiaries and affiliates (collectively, "Releasors"), do hereby irrevocably and absolutely release and forever discharge Franchisor and its affiliates and their respective successors, predecessors, assigns, beneficiaries, executors, trustees, administrators, subrogees, agents, representatives, employees, officers, directors, shareholders, partners, parent corporations, subsidiaries and affiliates (collectively, "Released Parties"), of and from any and all claims, demands, obligations, debts, actions, and causes of action of every nature, character, and description, known or unknown, pursuant to, arising out of, or related to, the Prior Agreement and the School of Rock Business, which Releasors now own or hold, or have at any time heretofore owned or held, or may at any time own or hold against the Released Parties, arising prior to and including the date of this Amendment.

11. This Amendment constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Amendment shall be controlling with respect to inconsistent provisions and the subject matter hereof. Except as modified or supplemented by this Amendment, the terms of the Franchise Agreement are hereby ratified and confirmed. The section numbering in the Franchise Agreement shall remain the same and shall not be adjusted based on the deletion of any sections as set forth in this Amendment. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment in duplicate on the date first above written.

SCHOOL OF ROCK FRANCHISING LLC

By: _____

Name: _____

Title: _____

_____

By: _____

Name: _____

Title: _____

SIGNED INDIVIDUALLY BY:

Name: _____

EXHIBIT H TO
FRANCHISE DISCLOSURE DOCUMENT

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

(See attached.)

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Confidentiality and Non-Disclosure Agreement is entered into this _____ day of _____, 20___ by and between School of Rock Franchising, LLC, on behalf of itself and its direct and indirect parents, subsidiaries and affiliates (hereinafter collectively referred to as the "Company") and _____ (hereinafter referred to as the "Recipient").

WHEREAS, the Company possesses certain confidential information pertaining to its businesses; and,

WHEREAS, the Recipient may, from time to time, receive a disclosure of such confidential information from the Company or its agents, consultants or affiliates for the purpose of enabling the Recipient to evaluate a possible franchise opportunity (the “Franchise Opportunity”); and,

THEREFORE, the Recipient agrees to hold in confidence and to refrain from the unauthorized use of Confidential Information (as hereinafter defined) as set forth below:

1. Confidential Information.

(a) As used herein, "Confidential Information" means information about the Company, in whatever format, furnished to the Recipient pursuant to this Agreement by or on behalf of the Company, including, but not limited to, information regarding policies and procedures; concepts; tools; techniques; contracts; business records; marketing information and plans; demographic information; operations; basic store inventory; sales; costs; employees; vendors; suppliers; expansion plans (e.g. existing, and entry into new, geographic and/or product markets); location of stores and offices (including proposed locations); lawsuits and/or claims; management philosophy; customer lists; rental activity reports; sell-through activity reports; and confidential information received from third parties pursuant to a confidential disclosure agreement,

(b) Confidential Information does not include information that (i) was available to the public prior to the time of disclosure, (ii) becomes available to the public through no act or omission of the Recipient, or (iii) communicated rightfully to Recipient free of any obligation of nondisclosure and without restriction as to its use. Recipient shall bear the burden of demonstrating that the information falls under one of the above-described exceptions.

2. Non-Use and Non-Disclosure.

Recipient agrees to (i) hold the Confidential Information in confidence and refrain from disclosing Confidential Information, or transmitting any documents or copies containing Confidential Information, to any other party except as permitted under the terms of this Agreement, (ii) use the Confidential Information only to assist the Recipient in evaluation of the Franchise Opportunity and will not disclose any of it except to the Recipient's directors, officers, employees and representatives (including outside attorneys, accountants and consultants) (collectively its "Representatives") who need such information for the purpose of evaluating the Franchise Opportunity (and the Recipient shall require such Representatives to agree to be bound by the provisions of this Agreement and the Recipient shall be responsible for any breach of the terms of this Agreement by its Representatives). Recipient shall use at least the standard of care with respect to protecting the Confidential Information that it accords or would accord its own proprietary and confidential information.

3. Ownership and Implied Rights.

All Confidential Information shall remain the exclusive property of the Company and nothing in this Agreement, or any document, or any course of conduct between the Company and the Recipient, shall be deemed to grant the Recipient any rights in or to the Confidential Information, or any part thereof.

Nothing herein shall obligate Company to enter into a franchise relationship with Recipient. Company may for any reason or for no reason decline to enter into a franchise relationship with Recipient. Recipient acknowledges that Company is under no obligation to enter into or execute a franchise agreement or a development agreement with Recipient on the basis of this Agreement or for any other reason.

4. Restrictions on Copying.

Recipient shall not make any copies of any Confidential Information, except as may be strictly necessary for Recipient to evaluate the Franchise Opportunity. Any copies made by Recipient shall bear a clear stamp or legend indicating their confidential nature. Recipient shall not remove, overprint or deface any notice of copyright, trademark, logo, or other notices of ownership from any originals or copies of Confidential Information.

5. Return of Materials.

At the request of the Company at any time, the Recipient shall promptly return to the Company all Confidential Information that may be contained in printed, written, drawn, recorded, computer disk or any other form whatsoever which is in the possession or control of the Recipient or the location of which is known by the Recipient, including all originals, copies, reprints and translations thereof and any notes prepared by the Recipient or its Representatives in connection with the Confidential Information.

6. Breach.

(a) In the event of Recipient's breach of its obligations under this Agreement or any other agreement with the Company, Company shall have the right to (i) demand the immediate return of all Confidential Information, (ii) recover its actual damages incurred by reason of such breach, including, but not limited to, its attorneys' fees and costs of suit, (iii) obtain injunctive relief to prevent such breach or to otherwise enforce the terms of this Agreement, and (iv) pursue any other remedy available at law or in equity.

(b) The Recipient recognizes that the Company would suffer irreparable harm for which it would not have an adequate remedy at law if the Recipient were to violate the covenants and agreements set forth herein. Accordingly, the Recipient agrees that the Company shall be entitled to specific performance and injunctive relief as remedies for any such breach and that, in such event, no bond shall be required. This remedy shall be in addition to any other remedy available at law or in equity.

7. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN STRICT ACCORDANCE WITH THE SUBSTANTIVE LAW OF THE COMMONWEALTH OF MASSACHUSETTS WITHOUT REFERENCE TO CONFLICT OF LAW RULES. THE RECIPIENT HEREBY CONSENTS TO THE JURISDICTION OF THE DISTRICT COURTS OF THE COMMONWEALTH OF MASSACHUSETTS AND ANY PROCEEDING ARISING BETWEEN THE PARTIES HERETO IN ANY MANNER PERTAINING OR RELATED TO THIS AGREEMENT SHALL TO THE EXTENT PERMITTED BY LAW, BE HELD IN BOSTON, MASSACHUSETTS.

8. Waiver; Severability.

Any failure on the part of the Company to insist upon the performance of this Agreement or any part thereof, shall not constitute a waiver of any right under this Agreement. No wavier of any provision of this Agreement shall be effective unless in writing and executed by the party waiving the right. If any provision of this Agreement, or the application thereof to any person or circumstance shall, for any reason or to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

9. Accuracy of Confidential Information.

(a) The Company makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Neither the Company nor any of the officers, directors, employees, agents, advisors, legal counsel or other representatives or affiliates thereof, shall be subject to any liability resulting from the use of the Confidential Information by the Recipient and its Representatives.

(b) The Recipient acknowledges that the restrictions set forth herein are fair and reasonable and are necessary in order to protect the business of the Company and the confidential nature of the Confidential Information. The Recipient further acknowledges that the Confidential Information is unique to the business of the Company and would not be revealed to Recipient were it not for its willingness to agree to the restrictions set forth herein.

10. Applicability.

The terms, conditions and covenants of this Agreement shall apply to all business dealings and relations between the Company and the Recipient.

RECIPIENT

_____

_____

_____

By: _____
Name: _____
Title: _____

SCHOOL OF ROCK FRANCHISING, LLC
1 Wattles Street, Canton, MA 02021

By: _____
Name: _____
Title: _____

EXHIBIT I TO
FRANCHISE DISCLOSURE DOCUMENT

GENERAL RELEASE

(See attached.)

GENERAL RELEASE

This General Release ("Release") is made and entered into on _____ by and between School of Rock Franchising LLC ("Franchisor") and _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor and Franchisee are parties to a School of Rock Franchise Agreement (the "Franchise Agreement") dated _____, 20___, granting Franchisee the right to operate a School of Rock business under Franchisor's proprietary marks and system at the following location: _____ _____.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Release, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties hereto agree as follows:

Franchisee, for itself and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasors"), irrevocably and absolutely releases and forever discharges Franchisor and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasees"), of and from all claims, obligations, actions or causes of action (however denominated), whether in law or in equity, and whether known or unknown, present or contingent, for any injury, damage, or loss whatsoever arising from any acts or occurrences occurring as of or prior to the date of this Release relating to the Franchise Agreement, the business operated under the Franchise Agreement, and/or any other agreement between any of the Releasees and any of the Releasors. The Releasors, and each of them, also covenant not to sue or otherwise bring a claim against any of the Releasees regarding any of the claims being released under this Release. Releasors hereby acknowledge that this release is intended to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist. Each of the Releasors expressly acknowledges that they are familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Each of the Releasors hereby specifically and expressly waives all rights that it may have under Section 1542 of the California Civil Code or any similar provision of law in any other jurisdiction. This Release shall not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law, or the Washington Franchise Investment Protection Act (RCW 19.200), including the rules adopted thereunder. Releasors acknowledge and agree that they have read the terms of this Release, they fully understand and voluntarily accept the terms, and that they have entered into this Release voluntarily and without any coercion.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Release as of the date first above written.

FRANCHISOR	**FRANCHISEE**
By:_____	By:_____
Name: _____	Name:_____
Title:_____	Title:_____

EXHIBIT J TO
FRANCHISE DISCLOSURE DOCUMENT

STATE ADDENDA

(See attached.)

CALIFORNIA

CALIFORNIA ADDENDUM TO SCHOOL OF ROCK
FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. the Franchise Disclosure Document for School of Rock Franchising LLC for use in the State of California shall be amended as follows:

1. The following risk factor is added to the "Special Risks to Consider About *This* Franchise" page of the Franchise Disclosure Document:

   Mandatory Minimum Payments. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

2. Neither School of Rock Franchising LLC ("we" or "us") nor any person identified in Item 2 of the Disclosure Document is currently 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. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.

3. Item 17 for each chart of the Disclosure Document shall be supplemented to include the following:

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

   The Franchise Agreement and Development Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 seq.)

   The Franchise Agreement and Development Agreement require application of the laws of the State of Massachusetts. These provisions may not be enforceable under California law.

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

   You must sign a general release if you transfer your rights under the Franchise Agreement and Development Agreement. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

   The Franchise Agreement and Development Agreement require binding arbitration. The arbitration will occur at a location picked by the franchisor in Boston, Massachusetts, and you must pay all expenses, including attorneys' fees and costs, incurred by us (a) to remedy any defaults of, or enforce any rights under, the Franchise Agreement or Development Agreement; (b) to effect termination of the Franchise Agreement or Development Agreement; and (c) to collect any amounts due under the Franchise Agreement and Development Agreement. Any action not subject to arbitration, shall be brought in the U.S. District Court presiding in Boston Massachusetts. Prospective franchisees are encouraged to consult private legal counsel to

determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

4. Section 31125 of the California Corporation Code requires us to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

5. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

6. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. The Franchise Agreement and Development Agreement requires that any action that is brought by you against us be commenced in arbitration, or in the U.S. District Court in Boston, Massachusetts, and that you must irrevocably submit to the jurisdiction of such court. This provision may not be enforceable under California law.

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

9. 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.

10. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

11. **Registration of the franchise disclosure document does not constitute approval, recommendation, or endorsement by the Commissioner.**

CALIFORNIA AMENDMENT TO THE
SCHOOL OF ROCK FRANCHISE AGREEMENT

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached School of Rock Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

1. Section 26.6 of the Franchise Agreement, entitled "Limitation of Claims," shall be amended by adding the following language:

   THIS SECTION 26.6 SHALL NOT APPLY TO CLAIMS ARISING UNDER SECTIONS 31300 THROUGH 31306 OF THE CALIFORNIA FRANCHISE INVESTMENT LAW, ALL OF WHICH SHALL BE GOVERNED BY APPLICABLE STATE STATUTES. THIS PROVISION DOES NOT LIMIT YOUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

2. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

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

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this California Amendment to the Franchise Agreement in duplicate on the date indicated below.

SCHOOL OF ROCK FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

CALIFORNIA AMENDMENT TO THE
SCHOOL OF ROCK DEVELOPMENT AGREEMENT

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached School of Rock Development Agreement (the "Development Agreement") hereby agree as follows:

1. Section 14.6 of the Development Agreement, entitled "Limitation of Claims," shall be amended by adding the following language:

   THIS SECTION 14.6 SHALL NOT APPLY TO CLAIMS ARISING UNDER SECTIONS 31300 THROUGH 31306 OF THE CALIFORNIA FRANCHISE INVESTMENT LAW, ALL OF WHICH SHALL BE GOVERNED BY APPLICABLE STATE STATUTES. THIS PROVISION DOES NOT LIMIT YOUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

2. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

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

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this California Amendment to the Development Agreement in duplicate on the date indicated below.

SCHOOL OF ROCK FRANCHISING, LLC	**DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

HAWAII

ADDENDUM TO THE SCHOOL OF ROCK
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, the Franchise Disclosure Document of School of Rock for use in the State of Hawaii shall be amended to include the following:

1. Item 17 shall be supplemented by the addition of the following language at the end of the Item:

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

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum to the Disclosure Document.

* * *

AMENDMENT TO THE SCHOOL OF ROCK FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, the parties to the attached School of Rock Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The following language shall be added at the end of Section 27 of the Franchise Agreement, entitled "Representations and Acknowledgements":

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

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Hawaii Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

SCHOOL OF ROCK FRANCHISING LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

AMENDMENT TO THE SCHOOL OF ROCK DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, the parties to the attached School of Rock Development Agreement (the "Development Agreement") agree as follows:

1. The following language shall be added at the end of Section 15 of the Development Agreement, entitled "Acknowledgements, Representations, and Warranties":

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

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Hawaii Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

INDIANA

ADDENDUM TO THE SCHOOL OF ROCK
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, the Franchise Disclosure Document of School of Rock Franchising, LLC for use in the State of Indiana shall be amended as follows:

1. Item 12, under the heading entitled "Territory," shall be supplemented by the addition of the following language:

> We are required by the Franchise Agreement and Development Agreement not to compete unfairly with you within the Territory.

2. Item 17(f), for each chart, under the heading, "Termination By Franchisor With Cause," shall be amended by the addition of the following language:

> The conditions under which your franchise can be terminated may be affected by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act.

3. Items 17(q) and (r), for each chart, under the headings "Non-Competition Covenants During the Term of Franchise," and "Non-Competition Covenants After the Franchise is Terminated or Expires," respectively, shall be amended by the addition of the following language at the end of each Item:

> Notwithstanding the above, your rights will not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the exclusive area granted in the Franchise Agreement and Development Agreement.

4. Item 17(w), for each chart, under the heading "Choice of Law," shall be supplemented with the following language:

> This provision may not be enforceable under Indiana law.

5. Item 17 shall be supplemented by the addition of the following language at the end of the Item:

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

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Addendum to the Disclosure Document.

AMENDMENT TO THE SCHOOL OF ROCK FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, the parties to the School of Rock Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Section 1.3 of the Franchise Agreement, under the heading "Exclusive Territory," shall be amended by the addition of the following language to the end of the section:

> We agree not to compete unfairly with you within your Territory. To the extent required by Indiana Code Sections 23-2-2.7-1(2) and 23-2-2.7-2(4), we shall not operate a business which is substantially identical to the School within your Territory regardless of trade name.

2. Section 2.2 of the Franchise Agreement, under the heading, "Successor Franchise," shall be amended by the addition of the following language to the end of the section:

> To the extent required by Indiana Code Section 23-2-2.7-1(5), no general release executed pursuant to this section shall be deemed a release, assignment, novation, waiver or estoppel which purports, or is intended to relieve us from any liability imposed by the Indiana Deceptive Franchise Practices Act.

3. Section 15 of the Franchise Agreement, under the heading "Default and Termination," shall be amended by the addition of the following language to the end of the section:

> The conditions under which this Agreement may be terminated may be affected by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practice Act.

4. Section 17.3 of the Franchise Agreement, under the heading "Post-Term Covenants," shall be amended by the addition of the following language to the end of the section:

> Notwithstanding the above, your rights shall not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the territory granted in this Agreement.

5. Section 17.3 of the Franchise Agreement, under the heading "Post-Term Covenants," shall be amended by the addition of the following language to the end of the section:

> To the extent required by either the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, the post-term covenant not to compete is limited to your Territory.

6. Section 20.3 of the Franchise Agreement, under the heading "Indemnification," shall be amended by the addition of the following language to the end of the section:

> To the extent required by Indiana Code Section 23-2-2.7-2(10), you shall not be obligated to indemnify us as provided herein for any liability caused by your

reasonable and proper reliance on or use of procedures and materials provided by us or arising out of our negligence.

7. Section 26.1 of the Franchise Agreement, under the heading "Applicable Law," shall be amended by the addition of the following language to the end of the section:

> To the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, Indiana law shall be applied in construing this Agreement.

8. Section 26.3 of the Franchise Agreement, under the heading "Jurisdiction and Venue," shall be amended by the addition of the following language to the end of the section:

> However, to the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, a franchisee that operates a franchised business in Indiana may require, at the franchisee's option, that litigation concerning such franchise take place in Indiana.

9. Section 27 of the Franchise Agreement, under the heading "Representations and Acknowledgements," shall be amended by the addition of the following language to the end of the section:

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

10. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practice Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

AMENDMENT TO THE SCHOOL OF ROCK DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, the parties to the School of Rock Development Agreement (the "Development Agreement") agree as follows:

1. Section 6 of the Development Agreement, under the heading "Default and Termination," shall be amended by the addition of the following language to the end of the section:

> The conditions under which this Agreement may be terminated may be affected by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practice Act.

2. Section 7.3 of the Development Agreement, under the heading, "Conditions of Transfer," shall be amended by the addition of the following language to the end of the section:

> To the extent required by Indiana Code Section 23-2-2.7-1(5), no general release executed pursuant to this section shall be deemed a release, assignment, novation, waiver or estoppel which purports, or is intended to relieve us from any liability imposed by the Indiana Deceptive Franchise Practices Act.

3. Section 8.4 of the Development Agreement, under the heading "Post-Term Covenant," shall be amended by the addition of the following language to the end of the section:

> To the extent required by either the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, the post-term covenant not to compete is limited to your Territory.

4. Section 8.4 of the Development Agreement, under the heading "Post-Term Covenant," shall be amended by the addition of the following section:

> Notwithstanding the above, your rights shall not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the territory granted in this Agreement.

5. Section 10.3 of the Development Agreement, under the heading "Indemnification," shall be amended by the addition of the following language to the end of the section:

> To the extent required by Indiana Code Section 23-2-2.7-2(10), you shall not be obligated to indemnify us as provided herein for any liability caused by your reasonable and proper reliance on or use of procedures and materials provided by us or arising out of our negligence.

6. Section 14.1 of the Development Agreement, under the heading "Applicable Law," shall be amended by the addition of the following language to the end of the section:

> To the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, Indiana law shall be applied in construing this Agreement.

7. Section 14.3 of the Development Agreement, under the heading "Jurisdiction and Venue," shall be amended by the addition of the following language to the end of the section:

> However, to the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, a Developer that operates a franchised business in Indiana may require, at the Developer's option, that litigation concerning such franchise take place in Indiana.

8. Section 15 of the Development Agreement, under the heading "Acknowledgements, Representations, and Warranties," shall be amended by the addition of the following language to the end of the section:

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

9. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practice Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

MARYLAND

ADDENDUM TO THE SCHOOL OF ROCK
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol. and Supp. 2013), the Franchise Disclosure Document of School of Rock Franchising LLC for use in the State of Maryland shall be amended as follows:

1. Items 17(c) and 17(m), for each chart, under the headings, "Requirements for Franchisee to Renew or Extend" and "Conditions for Franchisor Approval of Transfer," shall be supplemented by adding the following language at the end of each Item:

> However, a general release required as a condition of approval will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17(f), for each chart, under the heading entitled "Termination by Franchisor With Cause," shall be supplemented by adding the following language at the end of the Item:

> The provision in the Franchise Agreement and Development Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

3. Items 17(v) and 17(w), for each chart, under the headings entitled "Choice of Forum" and "Choice of Law," shall be supplemented by adding the following language at the end of each Item:

> However, you may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Item 17 shall be supplemented by adding the following language at the end of the Item:

> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
>
> No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

* * *

AMENDMENT TO THE SCHOOL OF ROCK FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol. and Supp. 2013), the parties to the attached School of Rock Franchising LLC Franchise Agreement ("Franchise Agreement") agree as follows:

1. Sections 2.2, 14.3, and 26.1 of the Franchise Agreement, entitled "Successor Franchise," "Conditions to Transfer," and "Applicable Law," shall be amended by adding the following language at the end of those Sections:

> Provided that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Maryland Franchise Registration and Disclosure Law shall remain in force; it being the intent of this provision that the non-waiver provisions of the Law be satisfied. To that effect the general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 24 of the Franchise Agreement, entitled "Entire Agreement," shall be amended by adding the following language at the end of the Section:

> Nothing in this Agreement or any other agreement is intended to disclaim Franchisor's representations in Franchisor's Franchise Disclosure Document.

3. Section 26.3 of the Franchise Agreement, entitled "Jurisdiction and Venue," shall be amended by adding the following language at the end of the Section:

> Notwithstanding the above, Maryland franchisees are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Section 26.6 of the Franchise Agreement, entitled "Limitation of Claims," shall be amended by adding the following language at the end of the Section:

> This provision shall not act to reduce the three (3) year statute of limitations period afforded a franchise for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

5. Section 27, under the heading "Representations and Acknowledgements," shall be amended by the addition of the following language at the end of the Section:

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

6. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

AMENDMENT TO THE SCHOOL OF ROCK DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol. and Supp. 2013), the parties to the attached School of Rock Franchising LLC Development Agreement ("Development Agreement") agree as follows:

1. Sections 7.3 and 14.1 of the Development Agreement, entitled "Conditions of Transfer," and "Applicable Law," shall be amended by adding the following language at the end of those Sections:

> Provided that all rights enjoyed by Developer and any causes of action arising in Developer's favor from the provisions of the Maryland Franchise Registration and Disclosure Law shall remain in force; it being the intent of this provision that the non-waiver provisions of the Law be satisfied. To that effect the general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 13 of the Development Agreement, entitled "Entire Agreement," shall be amended by adding the following language at the end of the Section:

> Nothing in this Agreement or any other agreement is intended to disclaim Franchisor's representations in Franchisor's Franchise Disclosure Document.

3. Section 14.3 of the Development Agreement, entitled "Jurisdiction and Venue," shall be amended by adding the following language at the end of the Section:

> Notwithstanding the above, Maryland Developers are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Section 14.6 of the Development Agreement, entitled "Limitation of Claims," shall be amended by adding the following language at the end of the Section:

> This provision shall not act to reduce the three (3) year statute of limitations period afforded a franchise for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

5. Section 15 of the Development Agreement, entitled "Acknowledgements, Representations and Warranties," shall be amended by adding the following language at the end of the Section:

> The foregoing acknowledgments shall not be construed as a waiver or release by Developer of any claims arising under the Maryland Franchise Registration and Disclosure Law.
>
> No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This

provision supersedes any other term of any document executed in connection with the franchise.

6. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

MICHIGAN

NOTICE 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 the franchise documents, the provision are void and cannot be enforced against you.

Each of the following provisions are void and unenforceable if contained in any document 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 terminate a franchise agreement prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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

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

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

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

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

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

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

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

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

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligation 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 this Notice should be directed to the Michigan Department of Attorney General, 670 Law Building, Lansing, Michigan 48913, (517) 373-7117.

MINNESOTA

ADDENDUM TO THE SCHOOL OF ROCK
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document of School of Rock Franchising LLC for use in the state of Minnesota shall be amended to include the following:

1. In Item 17, for each chart, section (m), under the heading entitled "Conditions for Franchisor Approval of Transfer," shall be amended by adding the following language at the end of the section:

The general release will not apply to any liability under the Minnesota Franchise Law.

2. In Item 17, for each chart, sections (b), (c), (f), and (k), under the headings entitled "Renewal or Extension of the Term," "Requirements for Franchisee to Renew or Extend," "Termination by Franchisor With Cause," and "'Transfer' by Franchisee–Defined", shall be amended by adding the following language at the end of those sections:

Minnesota law provides you with certain termination, non-renewal, and transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 3, 4, and 5) currently requires, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement and Development Agreement, and that consent to the transfer of the franchise not be unreasonably denied.

3. In Item 17, for each chart, section (v), under the heading entitled "Choice of Forum", shall be amended by adding the following language at the end of the section:

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement or Development 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 State of Minnesota.

4. In Item 17, section (w), under the heading entitled "Choice of Law", shall be amended by adding the following language at the end of the section:

This provision may not be enforceable under Minnesota law.

5. Item 17 shall be amended by adding the following language at the end of the Item:

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

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930 are met independently without reference to this Addendum to the Disclosure Document.

AMENDMENT TO THE SCHOOL OF ROCK FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn Rules. §§ 2860.0100 through 2860.9930, the parties to the attached School of Rock Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Sections 2, 14, and 15 of the Franchise Agreement, under the headings entitled "Term and Renewal," "Transfer of Interest," and "Default and Termination," shall be supplemented by the addition of the following language:

> Minnesota law provides franchisees with certain termination, non-renewal and transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 3, 4, and 5) currently requires, except specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

2. Section 17.8 of the Franchise Agreement, under the heading entitled "Irreparable Injury," shall be deleted in its entirety.

3. Section 26.1 of the Franchise Agreement, under the heading entitled "Applicable Law" shall be supplemented by the addition of the following language:

> Pursuant to Minn. Stat. § 80C.21, this Section 26.1 shall not in any way abrogate or reduce any of Franchisee's rights as provided for in the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

4. Section 26.3 of the Franchise Agreement, under the heading entitled "Jurisdiction and Venue," shall be supplemented by the addition of the following language:

> Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibits Franchisor from requiring litigation to be conducted outside Minnesota. This Section 26.3 shall not in any way abrogate or reduce any of Franchisee's rights as provided for in the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

5. Section 26.6 of the Franchise Agreement, under the heading entitled "Limitation of Claims," shall be supplemented by the addition of the following language:

> Pursuant to Minn. Stat. § 80C.17 (subd. 5), this Section 26.6 shall not in any way abrogate or reduce the time period for bringing a civil action under Minn. Stat. § 80C.17.

6. Section 26.8 of the Franchise Agreement, under the heading entitled "Waiver of Right to a Jury and Punitive Damages," shall be deleted in its entirety and replaced with the following language:

> YOU AND WE KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY CLAIM FOR PUNITIVE, MULTIPLE, AND/OR EXEMPLARY

DAMAGES, EXCEPT THAT WE SHALL BE FREE AT ANY TIME HEREUNDER TO BRING AN ACTION FOR WILLFUL TRADEMARK INFRINGEMENT AND, IF SUCCESSFUL, TO RECEIVE AN AWARD OF MULTIPLE DAMAGES AS PROVIDED BY LAW.

7. Section 27 of the Franchise Agreement, under the heading "Representations and Acknowledgements," shall be amended by the addition of the following language at the end of the Section:

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

8. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

AMENDMENT TO THE SCHOOL OF ROCK DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn Rules. §§ 2860.0100 through 2860.9930, the parties to the attached School of Rock Development Agreement (the "Development Agreement") agree as follows:

1. Sections 4.1, 6, and 7.3 of the Development Agreement, under the headings entitled "Term," "Default and Termination," and "Conditions of Transfer," shall be supplemented by the addition of the following language:

> Minnesota law provides Developers with certain termination, non-renewal and transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 3, 4, and 5) currently requires, except specified cases, that a Developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Development Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

2. Section 8.9 of the Development Agreement, under the heading entitled "Irreparable Injury," shall be deleted in its entirety.

3. Section 14.1 of the Development Agreement, under the heading entitled "Applicable Law" shall be supplemented by the addition of the following language:

> Pursuant to Minn. Stat. § 80C.21, this Section 14.1 shall not in any way abrogate or reduce any of Developer's rights as provided for in the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

4. Section 14.3 of the Development Agreement, under the heading entitled "Jurisdiction and Venue," shall be supplemented by the addition of the following language:

> Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibits Franchisor from requiring litigation to be conducted outside Minnesota. This Section 14.3 shall not in any way abrogate or reduce any of Developer's rights as provided for in the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

5. Section 14.6 of the Development Agreement, under the heading entitled "Limitation of Claims," shall be supplemented by the addition of the following language:

> Pursuant to Minn. Stat. § 80C.17 (subd. 5), this Section 14.6 shall not in any way abrogate or reduce the time period for bringing a civil action under Minn. Stat. § 80C.17.

6. Section 14.8 of the Development Agreement, under the heading entitled "Waiver of Right to a Jury and Punitive Damages," shall be deleted in its entirety and replaced with the following language:

> YOU AND WE KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY CLAIM FOR PUNITIVE, MULTIPLE, AND/OR EXEMPLARY DAMAGES, EXCEPT THAT WE SHALL BE FREE AT ANY TIME HEREUNDER TO BRING AN

ACTION FOR WILLFUL TRADEMARK INFRINGEMENT AND, IF SUCCESSFUL, TO RECEIVE AN AWARD OF MULTIPLE DAMAGES AS PROVIDED BY LAW.

7. Section 15 of the Development Agreement, under the heading entitled "Acknowledgements, Representations, and Warranties," shall be amended by the addition of the following language to the end of the section:

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

8. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

NEW YORK

ADDENDUM TO THE SCHOOL OF ROCK FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 the Franchise Disclosure Document for School of Rock Franchising LLC for use in the State of New York shall be amended as follows:

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

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

   C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined

in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

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

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

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

Each provision of this Addendum to the Disclosure Document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Addendum to the Disclosure Document.

AMENDMENT TO THE SCHOOL OF ROCK FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached Franchise Agreement agree as follows:

1. Section 2.2.6 of the Franchise Agreement, under the heading "Term and Renewal," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

> 2.2.6 You shall execute a general release, in a form prescribed by us, of any and all claims, known or unknown, that you might have against us or our affiliates, or our respective officers, directors, agents, and employees; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

2. Section 14.1 of the Franchise Agreement, under the heading "Our Right to Transfer" shall be supplemented by the following language, which shall be considered an integral part of the Agreement:

> However, no assignment shall be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. Section 14.3.3 of the Franchise Agreement, under the heading "Conditions to Transfer" shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

> 14.3.3 That the transferor shall have executed a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and our respective officers, directors, agents, shareholders, and employees; provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

4. Section 26.1 of the Franchise Agreement, under the heading "Applicable Law," shall be amended by adding the following language at the end of the Section:

> The foregoing choice of law should not be considered a waiver of any right conferred upon you by General Business Law of New York State, Sections 680-695.

5. Section 27 of the Franchise Agreement, under the heading "Representations and Acknowledgements," shall be amended by the addition of the following language at the end of the Section:

> No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including

fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Each provision of this Amendment to the Franchise Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

AMENDMENT TO THE SCHOOL OF ROCK DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached Development Agreement agree as follows:

1. Section 7.1 of the Development Agreement, under the heading "Our Right to Transfer" shall be supplemented by the following language, which shall be considered an integral part of the Agreement:

> However, no assignment shall be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

2. Section 7.3.3 of the Development Agreement, under the heading "Conditions to Transfer" shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

> 7.3 That the transferor shall have executed a general release, in a form prescribed by Franchisor, of any and all claims against us and our affiliates, and our respective officers, directors, agents, shareholders, and employees; provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

3. Section 14.1 of the Development Agreement, under the heading "Applicable Law," shall be amended by adding the following section at the end of the Section:

> The foregoing choice of law should not be considered a waiver of any right conferred upon you by General Business Law of New York State, Sections 680-695.

4. Section 15 of the Development Agreement, under the heading entitled "Acknowledgements, Representations, and Warranties," shall be amended by the addition of the following language to the end of the section:

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

5. Each provision of this Amendment to the Development Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Amendment.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

NORTH DAKOTA

ADDENDUM TO THE SCHOOL OF ROCK
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NORTH DAKOTA CENTURY CODE (NDCC) SECTION 51-19-09):

A. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

In recognition of the requirements of North Dakota Century Code, Section 51-19-09, the Franchise Disclosure Document of School of Rock for use in the State of North Dakota shall be amended to include the following:

1. Item 17(c) shall be supplemented by the addition of the following language:

   You will not be required to sign a general release upon renewal of the franchise agreement.

2. Item 17(i) shall be supplemented by the addition of the following language:

   You will not be required to consent to liquidated damages or termination penalties.

3. Item 17(r) shall be supplemented by the addition of the following language:

   All covenants restricting competition are subject to North Dakota Century Code, Section 9-08-06. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

4. The language in Item 17(u) shall be deleted and replaced by the following language:

   Most disputes and claims relating to the Franchise Agreement will be settled by arbitration under the rules of the American Arbitration Association at a location agreeable to all parties.

5. The language in Item 17(v) shall be deleted and replaced by the following language:

   All litigation must be brought in North Dakota.

6. The language in Item 17(w) shall be deleted and replaced by the following language:

   All disputes will be governed by the laws of the State of North Dakota.

7. Item 17 shall be supplemented by adding the following language at the end of the Item:

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

* * *

AMENDMENT TO THE SCHOOL OF ROCK FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NORTH DAKOTA

In recognition of the requirements of North Dakota Century Code, Section 51-19-09, the parties to the attached School of Rock Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The following language shall be added at the end of Section 2.2 of the Franchise Agreement:

> You shall not be required to sign a general release upon renewal of the Franchise Agreement.

2. Section 15.5 of the Franchise Agreement is hereby deleted.

3. The following language shall be added at the end of Section 17.3 of the Franchise Agreement:

> All covenants restricting competition are subject to North Dakota Century Code, Section 9-08-06. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

4. The language in Section 26.1 of the Franchise Agreement is hereby deleted and replaced by the following language:

> This Agreement shall be interpreted and construed exclusively under the laws of the State of North Dakota.

5. The second sentence of Section 26.2 of the Franchise Agreement is hereby deleted and replaced by the following language:

> Such arbitration shall take place before a sole arbitrator at a location agreeable to all parties.

6. The language in Section 26.3 of the Franchise Agreement is hereby deleted and replaced by the following language:

> Any action that is not otherwise subject to arbitration under Section 26.2 (including all appeals from or relating to arbitration hereunder), whether or not arising out of, or relating to, this Agreement, brought by you (or any of your owners) against us shall be brought in federal court in the State of North Dakota, or, if such court does not have competent jurisdiction, in a state court located in North Dakota.

7. Section 26.6 of the Franchise Agreement is hereby deleted.

8. Section 26.8 of the Franchise Agreement is hereby deleted.

9. The following language shall be added at the end of Section 27 of the Franchise Agreement:

> No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any

franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

AMENDMENT TO THE SCHOOL OF ROCK DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

In recognition of the requirements of North Dakota Century Code, Section 51-19-09, the parties to the attached School of Rock Development Agreement (the "Development Agreement") agree as follows:

1. Section 6.5 of the Development Agreement is hereby deleted.

2. The following language shall be added at the end of Section 8.4 of the Development Agreement:

> All covenants restricting competition are subject to North Dakota Century Code, Section 9-08-06. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

3. The language in Section 14.1 of the Development Agreement is hereby deleted and replaced by the following language:

> This Agreement shall be interpreted and construed exclusively under the laws of the State of North Dakota.

4. The second sentence of Section 14.2 of the Development Agreement is hereby deleted and replaced by the following language:

> Such arbitration shall take place before a sole arbitrator at a location agreeable to all parties.

5. The language in Section 14.3 of the Development Agreement is hereby deleted and replaced by the following language:

> Any action that is not otherwise subject to arbitration under Section 14.2 (including all appeals from or relating to arbitration hereunder), whether or not arising out of, or relating to, this Agreement, brought by you (or any of your owners) against us shall be brought in federal court in the State of North Dakota, or, if such court does not have competent jurisdiction, in a state court located in North Dakota.

6. Section 14.6 of the Development Agreement is hereby deleted.

7. Section 14.8 of the Development Agreement is hereby deleted.

8. The following language shall be added at the end of Section 15 of the Development Agreement:

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

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

OHIO

AMENDMENT TO THE
SCHOOL OF ROCK FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF OHIO

In recognition of the requirements of the Ohio Business Opportunity Purchasers Protection Act, Ohio Revised Code §1334.01 et seq., the parties to the attached School of Rock Franchising, LLC Franchise Agreement ("Franchise Agreement") agree as follows:

1. Section 27 of the Franchise Agreement, entitled "Representations and Acknowledgments," shall be amended by adding the following subsection at the end of the Section:

> **27.6 You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this Agreement. See the attached notice of cancellation for an explanation of this right.**

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Ohio Business Opportunity Purchasers Protection Act, with respect to each such provision, are met independent of the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

[Notice of Cancellation form (in duplicate) follows]

Notice of Cancellation

_____, 20___

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the Agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this Agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to School of Rock Franchising, LLC at 1 Wattles Street, Canton, MA 02021, or send a fax to School of Rock Franchising, LLC at _____, or an e-mail to School of Rock Franchising, LLC at _____, not later than midnight of _____ _____.

I hereby cancel this transaction.

_____, 20___ **_____**
(Date) **(Purchaser's signature)**

_____
(Print name)

Notice of Cancellation

_____, 20___

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the Agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this Agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to School of Rock Franchising, LLC at 1 Wattles Street, Canton, MA 02021, or send a fax to School of Rock Franchising, LLC at _____, or an e-mail to School of Rock Franchising, LLC at _____, not later than midnight of _____ _____.

I hereby cancel this transaction.

_____, 20___ **_____**
(Date) **(Purchaser's signature)**

_____
(Print name)

RHODE ISLAND

ADDENDUM TO THE SCHOOL OF ROCK
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of School of Rock for use in the State of Rhode Island shall be amended to include the following:

1. Items 17v. and 17w., in each chart, shall be supplemented with the following language:

> However, you may sue School of Rock in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of the Item:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."
>
> No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

* * *

AMENDMENT TO THE SCHOOL OF ROCK FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached School of Rock Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The following language shall be added at the end of Section 26.3 of the Franchise Agreement, entitled "Jurisdiction and Venue":

> Notwithstanding the above, Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The following language shall be added at the end of Section 27 of the Franchise Agreement, entitled "Representations and Acknowledgements":

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

3. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Rhode Island Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

SCHOOL OF ROCK FRANCHISING LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

AMENDMENT TO THE SCHOOL OF ROCK DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached School of Rock Development Agreement (the "Development Agreement") agree as follows:

1. The following language shall be added at the end of Section 14.3 of the Development Agreement, entitled "Jurisdiction and Venue":

> Notwithstanding the above, Rhode Island Developers are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The following language shall be added at the end of Section 15 of the Development Agreement, entitled "Acknowledgements, Representations, and Warranties":

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

3. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Rhode Island Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

SCHOOL OF ROCK FRANCHISING, LLC	**DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

VIRGINIA

ADDENDUM TO THE SCHOOL OF ROCK
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions will supersede and apply:

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document shall be amended as follows:

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

2. Item 17 shall be supplemented by the addition of the following language at the end of the Item:

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

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum.

EXHIBIT K TO
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

(See attached.)

FRANCHISEE DISCLOSURE QUESTIONNAIRE*

As you know, School of Rock Franchising LLC ("we," "us" or "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a School of Rock franchised business. You may also be entering into a Development Agreement with us. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed our Franchise Agreement and each exhibit and schedule attached to it?

   Yes____ No____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

   Yes____ No____

   If "No," what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

   _____

   _____

   _____

3. Did we make any material changes to the form of Franchise Agreement that was included in the Franchise Disclosure Document you received from us, which were not negotiated with you?

   Yes____ No____

   If "Yes," did you receive a copy of the final Franchise Agreement at least seven (7) calendar days prior to signing it?

   Yes____ No____

If you are entering into a Development Agreement with us, please respond to Questions 4 through 6. Otherwise, please skip to Question 7.

4. Have you received and personally reviewed our Development Agreement and each exhibit and schedule attached to it?

   Yes____ No____

5. Do you understand all of the information contained in the Development Agreement and each exhibit and schedule attached to it?

Yes____ No____

If "No," what parts of the Development Agreement do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

6. Did we make any material changes to the form of Development Agreement that was included in the Franchise Disclosure Document you received from us, which were not negotiated with you?

Yes____ No____

If "Yes," did you receive a copy of the final Development Agreement at least seven (7) calendar days prior to signing it?

Yes____ No____

7. Have you received and personally reviewed the Franchise Disclosure Document we provided to you?

Yes____ No____

8. Do you understand all of the information contained in the Franchise Disclosure Document?

Yes____ No____

If "No," what parts of the Franchise Disclosure Document do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

9. Did you receive a copy of the Franchise Disclosure Document at least fourteen (14) calendar days prior to signing any agreement with us or paying us any money or other consideration?

Yes____ No____

10. Have you discussed the benefits and risks of operating a School of Rock franchised business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes____ No____

11. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors that are outside of our control?

Yes____ No____

12. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a School of Rock business operated by us or our franchisees?

Yes____ No____

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

_____

13. Has any employee or other person speaking on our behalf made any statement or promise concerning your School of Rock franchised business that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No____

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

14. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a School of Rock franchised business that is contrary to, or different from, the information contained in Item 19 of the Franchise Disclosure Document?

Yes____ No___

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

15. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a School of Rock business will generate that is contrary to, or different from, the information contained in Item 19 of the Franchise Disclosure Document?

Yes____ No___

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

_____

16. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a School of Rock business?

Yes____ No___

If "Yes," please describe the nature of the statements and whom they were made by? (Attach additional pages, if necessary)

_____

_____

_____

17. Were you provided any actual or estimated revenue or sales figures or amounts in connection with any pro forma profit and loss statement that may have been furnished to you by any employee or other person on our behalf, other than the information contained in Item 19 of the Franchise Disclosure Document?

Yes____ No____

If "Yes," please describe the nature of the statements and whom they were made by? (Attach additional pages, if necessary)

_____

_____

_____

18. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish you that is contrary to, or different from, the information contained in the Franchise Disclosure Document that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No____

If "Yes," please describe the nature of the statements and whom they were made by? (Attach additional pages, if necessary)

_____

_____

19. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and the Franchisor?

Yes____ No____

20. Do you understand that nothing in the Franchise Agreement or in our communications with one another is intended to make, or in fact makes, either you or us a general or limited partner, general or special agent, joint venturer, or employee of the other for any purpose, that the Franchise Agreement does not create a fiduciary relationship between you and us, and that we and you are and will be independent contractors during the term of the Franchise Agreement?

Yes____ No____

21. Do you understand that you, and not the Franchisor, have the duty and obligation to locate and lease a site for the Franchised Business and that the Franchisor's approval of a site is not an assurance, representation or warranty as to the suitability of the Franchised Business's site or the Franchised Business's profitability or success?

Yes____ No___

22. Were you referred to School of Rock Franchising, LLC by another individual?

Yes____ No___

If "Yes," did that person make any statement or promise concerning your School of Rock franchised business that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No___

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

_____

* No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

By signing this Questionnaire, you agree that you understand that your answers are important to us and that we will rely on them, and you are representing that you have responded truthfully to the above questions.

_____
FRANCHISE APPLICANT

_____
Print Name

_____, 20_____
Date

EXHIBIT L TO
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states require that the Franchisee 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	*Pending*
Hawaii	*Pending*
Indiana	*Pending*
Maryland	*Pending*
Michigan	*Pending*
Minnesota	*Pending*
New York	*Pending*
North Dakota	*Pending*
Rhode Island	*Pending*
South Dakota	*Pending*
Virginia	*Pending*
Wisconsin	*Pending*

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

EXHIBIT M TO
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

(See attached.)

RECEIPT

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

If School of Rock Franchising LLC ("School of Rock") offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, School of Rock or an affiliate in connection with the proposed franchise sale.

New York requires that School of Rock gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that School of Rock 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.

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

School of Rock authorizes the agents listed in Exhibit B to receive service of process on its behalf.

The franchise seller(s) offering this franchise is/are checked off below:

___ Robert Price,1 Wattles Street, Canton, MA 02021, (610) 301-7724
___ Anthony Padulo, 1 Wattles Street, Canton, MA 02021, (312) 585-6355
___ Brian Galvin, 1 Wattles Street, Canton, MA 02021, (401) 237-7667
___ Kathy Burnett, 1 Wattles Street, Canton, MA 02021, (781) 384-5751
___ Pamela Ross, 1 Wattles Street, Canton, MA 02021, (617) 858-5618
___ Eric St. Peter, 1 Wattles Street, Canton, MA 02021, (781) 739-2366
___ _____

Issuance Date: April 4, 2023. (See Exhibit L.)

I have received a disclosure document dated April 4, 2023, that included the following exhibits:

EXHIBIT A	List of State Administrators	EXHIBIT G-2	Renewal Amendment to Franchise Agreement
EXHIBIT B	List of Agents for Service of Process	EXHIBIT H	Confidentiality and Non-Disclosure Agreement
EXHIBIT C	Table of Contents for Manuals	EXHIBIT I	General Release
EXHIBIT D	List of Current and Former Franchisees	EXHIBIT J	State Addenda
EXHIBIT E	Financial Statements	EXHIBIT K	Franchisee Disclosure Questionnaire
EXHIBIT F	School of Rock Development Agreement	EXHIBIT L	State Effective Dates
EXHIBIT G-1	School of Rock Franchise Agreement	EXHIBIT M	Receipt

_____	_____	_____
Date	Prospective Franchisee	Print Name
_____	_____	_____
Date	Prospective Franchisee	Print Name

PLEASE SIGN AND DATE THIS PAGE AND RETAIN THIS PAGE IN YOUR POSSESSION AS PART OF YOUR RECORDS.

RECEIPT

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

If School of Rock Franchising LLC ("School of Rock") offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, School of Rock or an affiliate in connection with the proposed franchise sale.

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_____	_____	_____
Date	Prospective Franchisee	Print Name
_____	_____	_____
Date	Prospective Franchisee	Print Name

PLEASE REMOVE THIS PAGE, SIGN AND DATE ABOVE, AND RETURN IT TO:
School of Rock Franchising, LLC, 1 Wattles Street, Canton, MA 02021