FRANCHISE DISCLOSURE DOCUMENT

Freedom Learning, LLC
a Wyoming limited liability company
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Freedom Learning, LLC offers franchises for a supplemental education business that integrates custom schooling, adaptive learning and an academically intensive curriculum for families seeking a structured, high-quality academic alternative to homeschooling.

The total investment necessary to begin operation of a Seashore Academy franchise ranges from $98,175 to $275,300. This includes $56,500 that must be paid to us.

Area developers must commit to open a minimum of 2 Seashore Academies. If you purchase area development rights to open either 3 Seashore Academies (low estimate) or 5 Seashore Academies (high estimate), the total investment necessary to begin operation of a Seashore Academy franchise ranges from $168,175 to $395,300. This includes $126,500 to $176,500 that must be paid to us.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 1300 Bristol Street N, Suite 100, Newport Beach, California 92660 or by phone at (949) 264-3195.

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 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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: July 27, 2023

How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or EXHIBIT "E".
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 "F" 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 Seashore Academy 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 Seashore Academy franchisee?	Item 20 or EXHIBIT "E" lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

3. **Financial Condition.** The franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

4. **Termination.** If you fail to open your franchise within the time period required by the Franchise Agreement, the franchisor may, in its sole discretion, elect to terminate the Franchise Agreement upon five (5) days' written notice.

5. **Unregistered Trademark.** One of the primary trademarks that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

6. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchisor in a system with a longer operating history.

7. **Use of Franchise Brokers.** The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

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.

MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any 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 to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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

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

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

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the

franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

TABLE OF CONTENTS

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES 1
ITEM 2 BUSINESS EXPERIENCE 3
ITEM 3 LITIGATION 3
ITEM 4 BANKRUPTCY 3
ITEM 5 INITIAL FEES 3
ITEM 6 OTHER FEES 4
ITEM 7 ESTIMATED INITIAL INVESTMENT 7
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 9
ITEM 9 FRANCHISEE'S OBLIGATIONS 12
ITEM 10 FINANCING 13
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 13
ITEM 12 TERRITORY 22
ITEM 13 TRADEMARKS 24
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION 25
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 26
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 26
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION 27
ITEM 18 PUBLIC FIGURES 30
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 30
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 31
ITEM 21 FINANCIAL STATEMENTS 34
ITEM 22 CONTRACTS 35
ITEM 23 RECEIPT 35

EXHIBIT "A" LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT "B" FRANCHISORS AGENT FOR SERVICE OF PROCESS
EXHIBIT "C" FRANCHISE AGREEMENT
EXHIBIT "D" AREA DEVELOPMENT AGREEMENT
EXHIBIT "E" LIST OF FRANCHISEES
EXHIBIT "F" FINANCIAL STATEMENTS FOR FREEDOM LEARNING, LLC
EXHIBIT "G" OTHER AGREEMENTS
EXHIBIT "G"-1 STATE ADDENDA
EXHIBIT "G"-2 GENERAL RELEASE
EXHIBIT "H" STATE EFFECTIVE DATES
EXHIBIT "I" RECEIPTS

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we," "us" and "the Company" mean Freedom Learning, LLC - the franchisor.

"You" means the person who buys a Seashore Academy franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

"Seashore Academy" or "Academy" refers to the franchised business offered under this Disclosure Document. It includes any supplemental education business that operates under the name "Seashore Academy" and uses our operating system, including outlets operated by us, our affiliate, you or another franchisee.

Corporate Information

Freedom Learning, LLC is a Wyoming limited liability company that was organized on August 25, 2021. Our principal business address is located at 1300 Bristol Street N, Suite 100, Newport Beach, California 92660 and our telephone number is (949) 264-3195. Our agents for service of process are disclosed in EXHIBIT "A" (for registration states) and EXHIBIT "B" (for other states). We do not do business under any names other than "Freedom Learning, LLC".

Business History

We began offering Academy franchises in March 2022. We are not engaged in any business other than offering Academy franchises and administering the franchise system. We have never offered franchises in any other line of business.

We have never directly owned and operated an Academy. Our founder and Chief Executive Officer, Marlene Dandler, opened the first Seashore Academy in Newport Beach, California in January 2019. Since that time, she opened 2 additional Academies in California. Each of these Academies is owned and operated by an affiliate.

Predecessors, Parents and Affiliates

We do not have any predecessors or parent companies. We do not have any affiliates that either: (a) offer (or have ever offered) franchises in this or any line of business; or (b) provide products or services to our franchisees.

Description of Franchised Business

If we award you a franchise, you will develop and operate a supplemental education business that integrates custom schooling, adaptive learning and an academically intensive curriculum. Seashore Academies are geared towards the needs of families seeking a structured, high-quality academic alternative to homeschooling. Our classes, which include core subjects as well as various electives and enrichment options, are offered to students ranging from Kindergarten through 8th grade. In addition to the traditional Fall and Spring sessions (September to June), Academies may (but need not) offer Summer Camp sessions.

The franchised business you acquire is referred to as your "Business" or your "Academy." You must sign a franchise agreement in the form attached to this Disclosure Document as EXHIBIT "C" (the "Franchise Agreement"). You must develop, open and operate your Academy in accordance with the terms of the Franchise Agreement. We will grant you a license to use certain logos, service marks and trademarks, including the service mark "Seashore Academy" and related logo (collectively, the "Marks"). Our "Marks" also include any distinctive trade dress used to identify a Seashore Academy, whether now in existence or created in the future.

We have developed a distinct system (the "System") for the operation of a Seashore Academy. Distinctive characteristics of the System include: our Marks; proprietary programs and products; proprietary curriculum; flexible academic scheduling; academically intensive curriculum; training programs; marketing and promotional programs; and operating system. The operational aspects of an Academy are contained within our confidential

Brand Standards Manual (the "Manual"). You will operate your Academy as an independent business using the Marks, the System and the support, guidance and other methods and materials we make available to you.

Area Development Rights

If you satisfy our criteria for multi-unit developers, we may (but need not) offer you the right to enter into an Area Development Agreement (an "ADA"). The ADA grants you the right and obligation to establish and operate multiple Academies within a defined "development territory" according to a predetermined "development schedule". You must open and operate each of the Academies identified in the development schedule. We only grant area development rights to franchisees that commit to open and operate a minimum of 2 Academies. A copy of our current form of ADA is attached to this Disclosure Document as EXHIBIT "D". You will sign a separate franchise agreement for each Academy you establish under the ADA. Each franchise agreement will be our then-current form of franchise agreement, which may differ from the current Franchise Agreement attached to this Disclosure Document.

Market and Competition

The market for Seashore Academies includes families seeking a flexible, high-quality, alternative to homeschooling that blends the structure and quality of elite private education with the flexibility and freedom of homeschooling. Classes offered by Seashore Academies are seasonal in nature, typically running from September to June (with optional Summer classes). The education market, as a whole, is well-developed and competitive. As a franchisee, you may compete with public schools, private schools, charter schools, tutoring programs, supplemental education businesses and homeschooling programs. Some of our competitors operate under a franchise model.

Laws and Regulations

You must comply with all federal, state and local laws applicable to your Academy. There are a number of industry-specific laws that may apply to your Business, including:

- licensing or credentialing requirements applicable to schools and/or teachers
- special facility requirements for schools, including separate bathrooms for boys and girls, water fountains, special exit doors equipped with panic bars and accommodations for disabled persons
- special zoning laws applicable to schools or tutoring businesses
- laws regulating the terms and conditions of the enrollment agreement you use to enroll students
- child protection laws requiring background and criminal records checks on teachers and other individuals who may interact with children
- child protection laws that require reporting of any evidence of child abuse or neglect
- health and safety regulations applicable to the preparation, serving and storage of food at your Academy
- laws, rules and orders of governmental agencies concerning pandemics or public health crises, which may require businesses in the childcare industry to materially modify, limit or cease operations for an indeterminate period

Some of the laws listed above only apply to "schools". Because parents can send their children to classes on an as-needed basis, Seashore Academies are generally not considered to be "schools". Instead, they can be viewed as supplemental education or a homeschooling extension option for parents that homeschool their children. It is possible some state laws may characterize a Seashore Academy as a "school", in which case some of the school-specific laws listed above may apply to your Business. However, we are not aware of any state laws that would treat a Seashore Academy as a "school".

There may be other local, state and/or federal laws or regulations that apply to your Academy. We strongly suggest that you investigate these laws before buying this franchise.

ITEM 2 BUSINESS EXPERIENCE

Marlene Dandler – Founder & Chief Executive Officer

Marlene Dandler has served as our Founder and Chief Executive Officer since August 2021. From July 2015 to present, she has also served as the Founder and Chief Executive Officer of our affiliate, Seashore Academy, LLC, in Newport Beach, California. Seashore Academy, LLC owns and operates each of our affiliate-owned Academies (prior to January 2019, the business was limited to a Mandarin immersion program and was materially different than the franchised business offered under this Disclosure Document).

Rebecca Lee - Franchise Operations Director

Rebecca Lee has served as our Franchise Operations Director since December 2021. From November 2017 to December 2021, she was a Children's Pastor for Friends Church in Orange, California.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Initial Franchise Fee

You must pay us a nonrefundable $55,000 initial franchise fee at the time you sign the Franchise Agreement. The initial franchise fee is uniformly imposed except for the discounts listed below:

Multi-Unit Discount: We offer a 15% discount for existing franchisees purchasing an additional franchise.

Veteran Discount: We offer a 10% discount for honorably discharged veterans of the armed forces of the United States who provide a DD214 certificate.

Manager/Teacher Discount: We offer a 10% discount to individuals who have served as a manager or teacher at a Seashore Academy for a minimum of 2 years.

Area Developers: We offer area developers discounted initial franchise fees as discussed below under "Development Fee".

* In order to receive the discount, the qualifying individual (i.e., the honorably discharged veteran or experienced Seashore Academy manager/teacher) must hold at least a 50% ownership interest in the franchised business.

** An area developer that qualifies for the Veteran Discount and/or Manager/Teacher Discount will receive a 10% discount on the development fee (the discount is limited to 10% even if the area developer qualifies for both the Veteran Discount and Manager/Teacher Discount). Discounts may not otherwise be combined. Instead, the franchisee will receive the most favorable discount.

Initial Training Fee

You must pay us a nonrefundable $1,500 initial training fee at the time you sign the Franchise Agreement. The initial training fee is uniformly imposed.

Development Fee

If you sign an ADA, you must commit to purchase, open and operate a minimum of 2 Academies. The specific number of Academies you commit to develop will be listed in your development schedule. At the time you sign the ADA, you will pay us a nonrefundable development fee that varies depending on the number of Academies

you commit to develop. If you qualify for the Veteran Discount and/or Manager/Teacher Discount, you will receive a 10% discount on the applicable development fee. Our current development fees are listed in the table below:

Number of Academies	Development Fee (no discount)	Development Fee (with Veteran/Manager/Teacher Discount)
2	$99,000	$89,100
3	$125,000	$112,500
4 or more	$125,000 for first 3 Academies + $25,000 per additional Academy beyond 3	$112,500 for first 3 Academies + $22,500 per additional Academy beyond 3

We expect most area developers will purchase the right to develop either 3 or 5 Academies, which results in (non-discounted) development fees ranging from $125,000 to $175,000. You must pay the full development fee at the time you sign the ADA. You will not pay any additional initial franchise fee when you sign Franchise Agreements for Academies you develop under the ADA (i.e., the initial franchise fee is included in the development fee). The development fee is uniformly imposed.

ITEM 6 OTHER FEES

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Royalty Fee	8% of Gross Sales [2]	5th day of month	We may independently poll your point-of-sale system to generate Gross Sales reports. Upon request, you must also provide us with monthly Gross Sales reports, certified by you as to accuracy and completeness.
Brand Fund Fee	Up to 2% of Gross Sales [2] (currently 1%)	Same as royalty fee	See Note 3.
Local Marketing Commitment	Greater of: (a) $200 per month or (b) 2% of Gross Sales [2]	As incurred	You spend this amount directly with suppliers for approved local advertising and marketing. We may reduce or waive this requirement at any time that student enrollment at your Academy is at least 90% of your maximum enrollment capacity.
Additional Training or Assistance Fee	Up to $450 per person per day (plus reimbursement of expenses for onsite training)	10 days after invoice	See Note 4.
Conference Registration Fee	Up to $750 per person per conference	10 days after invoice	See Note 5.
Technology Fee	Varies (currently $22 per student per year)	10 days after invoice or as we otherwise specify	See Note 6.
Product Purchases	Varies depending on item purchased	10 days after invoice	We and our affiliates may be suppliers for goods or services purchased by franchisees. Upon request, we will provide you with a price list for any goods or services purchased from us and our affiliates. We and our affiliates are not currently suppliers.
New Product or Supplier Testing	Cost of testing (estimated to range from $25 to 250 per test)	10 days after invoice	This covers the costs of testing new products or inspecting new suppliers you propose.

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Relocation Fee	$7,500	At time we approve relocation request	Payable if you request to relocate your Academy and we permit you to do so.
Renewal Fee	$5,000	At time you sign Renewal Agreement	None.
Transfer Fee	*[Franchise Agreement]* $10,000 *[ADA]* $15,000	Before transfer	Payable when you transfer or sell your franchise. No charge if franchise transferred to an entity that you control or for certain transfers of ownership interests between existing owners.
Reimbursement of Insurance Costs	Actual costs we incur (including cost of insurance premiums)	10 days after invoice	If you fail to obtain and maintain the insurance we require, and we elect to do so on your behalf, you must reimburse us.
Management Fee	Up $500 per day plus reimbursement of travel and living expenses	10 days after invoice	If you default under the Franchise Agreement or the Managing Owner dies, we can designate a temporary manager to manage your Academy until you cure the default or find a replacement Managing Owner, as applicable.
Fines	Up to $500 per incident	Upon demand	Payable if you fail to comply with a mandatory standard or operating procedure (including timely submission of required reports) and do not cure within the time period we require. We may impose an additional fine for every 48 hours the non-compliance issue remains uncured after we impose the initial fine. We will deposit all fines into the brand fund (once established).
Audit Fee	Actual cost of audit (including travel and lodging expenses for audit team)	10 days after invoice	Payable only if audit (a) reveals you understated any amount owed to us by at least 2% or (b) is necessary because you fail to furnish required information or reports to us in a timely manner.
Late Fee	Default interest at lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law (10% in California)	10 days after invoice	If we debit your account but there are insufficient funds, or a check you issue is returned due to insufficient funds, we may charge (in addition to the late fee) an NSF fee of $75 per incident.
Attorneys' Fees and Costs	Actual attorneys' fees and costs we incur	Upon demand	You must reimburse us for all attorneys' fees and other costs we incur relating to your breach of any term of the Franchise Agreement or any other agreement with us or our affiliates.
Indemnification	Actual damages, losses or expenses we incur	10 days after invoice	You must indemnify and reimburse us for any damages, losses or expenses we incur due to the operation of your Academy or your breach of the Franchise Agreement.
Liquidated Damages	Varies (See Note 7)	10 days after invoice	Payable if we terminate due to your default or you terminate in any manner not permitted under the Franchise Agreement.

Notes:

1. All fees are imposed by and payable to us other than the Local Marketing Commitment, which you pay directly to third-party suppliers. All fees are nonrefundable and uniformly imposed on franchisees. You must sign an ACH Authorization Form (attached to the Franchise Agreement as ATTACHMENT "E"), permitting us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than the initial franchise fee). You must deposit all Gross Sales into the bank account and ensure sufficient funds are available for withdrawal before each due date. You must pay us all taxes that are imposed upon us or that we are required to collect and pay by reason of the furnishing of products, intangible property (including trademarks) or services to you.

2. "Gross Sales" means all amounts that you charge, invoice or collect from all goods and services you sell, whether in the form of cash, check, credit card, debit card, barter, exchange or otherwise, and regardless of collection. Gross Sales also includes any other amounts you may collect in relation to your Business, such as advertising revenues, sponsorship fees or business interruption insurance proceeds. If you provide free or discounted goods or services, you must calculate Gross Sales using the standard non-discounted retail pricing for such good or services (except as otherwise provided in the Manual for free or discounted goods or services provided to certain qualifying staff members or to your direct children). Gross Sales does not include sales or use taxes or amounts you collect and subsequently refund in good faith. The Manual may include policies governing the manner in which proceeds from the sale of gift cards are treated for purposes of calculating Gross Sales.

3. We may, but need not, establish and maintain a brand and system development fund to promote public awareness of our brand and improve our System. As of the issuance date of this Disclosure Document, we have not yet formed the fund. However, we intend to establish and begin administering the fund after our first franchise sale. You will have no voting rights pertaining to the administration of the fund, the creation and placement of the marketing materials or the amount of the required contribution. We will provide at least 30 days' notice of any change to the required brand fund contribution.

4. Before you open, we will provide our initial training program in exchange for a $1,500 initial training fee. You must pay us an additional training or assistance fee of up to $450 per person per day for:

   - each person that attends our initial training program after you open your Academy
   - any person who retakes training after failing a prior attempt
   - any remedial training we require based on your operational deficiencies
   - each person to whom we provide additional training that you request
   - each person who attends a system-wide or additional training program we conduct
   - any special assistance you request beyond what we must provide under the Franchise Agreement

   If we agree to provide onsite training or assistance, you must also reimburse us for all costs incurred by our representative for meals, travel and lodging. You are responsible for all expenses and costs your trainees incur for training, including wages, travel and living expenses.

5. We may hold periodic national or regional conferences to discuss business and operational issues affecting Seashore Academies. Attendance at these conferences is mandatory for your Managing Owner and, if required by us, your designated manager. You must pay us the conference registration fee even if you fail to attend a required conference, although we reserve the right to waive the fee if you demonstrate good cause for your inability to attend. You are also responsible for all expenses and costs the conference attendees incur, including wages, travel and living expenses.

6. You must acquire and utilize all information and communication technology systems that we specify from time to time (the "Technology Systems"). The "technology fee" includes all amounts you pay us and/or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems,

software, technology or services. The amount of the technology fee may change based on changes to the Technology Systems or the prices charged by third-party suppliers with whom we enter into master agreements. The technology fee does not include any amounts you pay directly to third-party suppliers for any component of the Technology Systems. As of the issuance date of this Disclosure Document, we charge a technology fee of $22 per year for each student that enrolls at your Academy. Of this $22 annual fee, we remit $19 to the third-party licensor of the Seashore Student Management Platform (discussed in Item 11 of this Disclosure Document). We retain the balance of the fee as an administrative and support fee and to help offset our costs to develop and host a microsite dedicated to your Academy. The annual fee is due and payable 10 days after invoicing or as we otherwise specify from time to time.

7. If we terminate the Franchise Agreement due to your default, or you terminate the Franchise Agreement prior to the expiration of the term (except in accordance with the provisions governing your right to terminate following our uncured breach), you must pay us liquidated damages. The amount of liquidated damages is calculated as the greater of: (a) $30,000; or (b) the sum of average royalty fees and brand fund fees imposed during the 12-month period preceding termination (or period of operations if less than 12 months), multiplied by the lesser of (i) 36 or (ii) the total number of months remaining under the term.

ITEM 7 ESTIMATED INITIAL INVESTMENT

Table A: Estimated initial investment for the purchase of a single Academy.

YOUR ESTIMATED INITIAL INVESTMENT (SINGLE FRANCHISE)				
TYPE OF EXPENDITURE [1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	$55,000	Lump sum	At time you sign Franchise Agreement	Us
Initial Training Fee	$1,500	Lump sum	At time you sign Franchise Agreement	Us
Training Expenses (3 to 4 people while training)	$3,000 to $6,000	As incurred	During training	Hotels, restaurants and airlines
Lease Deposit & 3 Months' Rent [2]	$10,000 to $60,000	Lump sum	Monthly (with security deposit paid before opening)	Landlord
Renovations [3]	$0 to $10,000	As incurred	Before opening	Contractors & suppliers
Signage [4]	$250 to $2,000	Lump sum	Before opening	Suppliers
Computer System [5]	$2,000 to $8,000	Lump sum	Before opening	Suppliers
Classroom Supplies Package [6]	$5,000 to $20,000	Lump sum	Before opening	Suppliers
Miscellaneous Supplies [7]	$1,000 to $5,000	As incurred	Before opening	Suppliers
Furniture & Furnishings [8]	$2,500 to $10,000	As incurred	Before opening	Suppliers
Preopening Advertising [9]	$1,000 to $3,000	As incurred	60 days before opening	Suppliers
Utility Deposits	$0 to $200	As incurred	Before opening	Utility companies
Licenses & Permits	$50 to $350	Lump sum	Before opening	Government agencies
Professional Fees	$1,500 to $3,000	Lump sum	Before opening	Lawyers & accountants

YOUR ESTIMATED INITIAL INVESTMENT (SINGLE FRANCHISE)				
TYPE OF EXPENDITURE [1]	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Insurance (3 months' premium)	$375 to $1,250	Lump sum	Before opening	Insurance companies
Additional Funds [10] (3 months)	$15,000 to $90,000	As incurred	As incurred	Suppliers, employees & us
Total Estimated Initial Investment [11]	$98,175 to $275,300			

Table B – Estimated initial investment for the purchase of area development rights.

YOUR ESTIMATED INITIAL INVESTMENT (AREA DEVELOPMENT - ASSUMES COMMITMENT TO DEVELOP 3 ACADEMIES OR 5 ACADEMIES)				
TYPE OF EXPENDITURE [1]	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Development Fee [12]	$125,000 to $175,000	Lump sum	At time you sign ADA	Us
Initial Investment to Open 1st Academy	$43,175 to $220,300	This is the total estimated initial investment in Table A above but excluding initial franchise fee (which is included in development fee)		
Total Estimated Initial Investment [11]	$168,175 to $395,300			

Notes:

1. We do not offer direct or indirect financing for any of these items. None of the fees payable to us are refundable. We are unaware of any fees payable to third-party suppliers that are refundable, although some landlords refund security deposits at the end of the lease if the tenant does not default.

2. This estimate assumes you will lease your premises. Rent varies depending on the size of the premises, its location, landlord contributions and the requirements of individual landlords. We anticipate most Seashore Academy facilities will range in size from 2,000 to 10,000 square feet with rent ranging from $2,500 to $15,000 per month. The $15,000 monthly rent is based on our 10,000 square foot facility located in Newport Beach, California. Your actual rent may vary significantly above or below this range depending on your area and local market conditions. For example, you may face significantly higher rent in areas such as New York City, San Francisco or Boston. Landlords typically require security deposits equal to 1- or 2-months' rent and may, in addition, require payment in advance of the first and/or last (or more) month's rent. The total estimated initial investment shown in the chart above includes 1 month's security plus 3 months' rent. Some franchisees may prefer to own the premises for their Academy. The cost to purchase real estate varies so widely that we cannot reasonably estimate the cost.

3. We anticipate most franchisees will not need to complete any significant remodeling or structural renovations to their facility. Instead, we expect the design and layout of most facilities will be adequate "as is" (although you may need to complete minor renovations such as replacing carpet or repainting the facility).

4. You must purchase and install the signage we specify. However, you may need to modify our standard signage to conform to local zoning laws, property use restrictions and/or lease terms. In some instances, exterior signage may be prohibited due to applicable zoning or use restrictions.

5. This includes your initial cost to purchase and set up your computer system.

6. This includes the cost of branded folding tables, employee uniforms and school supplies (i.e., paper,

pencils, etc.) that you must purchase from a designated supplier through our online store. The cost varies depending on the size of your facility and number of classrooms.

7. This includes non-branded inventory items and operating supplies that are not included in the classroom supplies package, such as sticky notes, staplers, erasers, chalk, printing paper, etc.

8. This estimate includes the cost to purchase desks, chairs, shelving, chalkboards and similar items. The cost varies depending on the size of your facility and number of classrooms. The cost of your branded folding tables is included separately in the classroom supplies package.

9. We recommend you spend a minimum of $500 per month on pre-opening marketing and advertising (primarily social media ads) during the 60-day period prior to opening. You may choose to spend more.

10. This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you), technology fees, inventory replenishment, marketing and miscellaneous expenses and required working capital. Your initial 3 months of rent is separately stated in the table above. We have not included or accounted for any fees paid to the franchisor or an affiliate that are calculated as a percentage of revenues. These figures are estimates based on the past experience of our affiliate in opening and operating 3 Seashore Academies in California.

11. We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the construction, opening and operation of your Academy.

12. See Item 5 for a discussion of the calculation of the development fee. This initial investment estimate assumes you commit to develop either 3 Academies (low estimate) or 5 Academies (high estimate). If you purchase the right to develop more than 5 Academies, your development fee will increase by an additional $25,000 for each additional Academy you commit to develop (in excess of 5). The development fees reflected in this table do not include any potentially applicable Veteran Discount or Manager/Teacher Discount (see Item 5). This initial investment estimate does not include the costs to open any Academy other than the first Academy developed under the ADA.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source Restricted Purchases and Leases - Generally

You must purchase or lease certain "source restricted" goods and services for the development and operation of your Business. By "source restricted," we mean the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). The Manual includes our specifications and list of suppliers. We notify you of changes to our specifications or supplier list by email, written notice, telephone, updates to the Manual, bulletins or other means of communication.

Supplier Criteria

Our criteria for evaluating a supplier includes, among others:

- quality standards for the product or service provided by the supplier
- pricing of the product or service provided by the supplier
- proximity of the supplier to Seashore Academies (to ensure prompt delivery capabilities)
- production capacity, delivery capabilities, dependability, reputation and financial viability of the supplier

Upon request, we will provide you with any objective specifications pertaining to our evaluation of a supplier, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

If you want to purchase or lease a source restricted item from a non-approved supplier, you must send us a

written request for approval and submit all additional information we request. We may require that you send us samples from the supplier for testing. We may also require that we be allowed to inspect the supplier's facilities. We will notify you of our decision within 30 days after we receive your request for approval and all additional information and samples we require. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke our approval if the supplier fails to meet any of our then-current criteria. You must reimburse us for all costs we incur in reviewing suppliers and products you propose.

Current Source Restricted Items

We estimate that nearly 80% of the total purchases and leases that will be required to establish and operate your Academy will consist of source restricted goods or services, as further described below.

Lease

We do not review the terms of your lease. However, if you lease the premises for your Academy, you must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to the Franchise Agreement as ATTACHMENT "C".

Fixtures and Furnishings

All fixtures and furnishings must meet our standards and specifications and must be purchased from approved or designated suppliers. You must purchase your branded folding tables exclusively from our designated supplier through our online store.

Computer System

Your computer system (currently limited to Chromebooks and our required software) must meet our standards and specifications. You may purchase your computer system from any supplier of your choosing. You must purchase and utilize the software we designate. We currently require that you utilize QuickBooks Online and the Seashore Student Management Platform (licensed from a third-party licensor).

Signage

All signage must meet our standards and specifications and must be purchased from designated or approved suppliers.

Operating Supplies

You must purchase certain operating supplies and inventory items that meet our standards and specifications. You must purchase branded classroom supplies (paper, pencils, etc.) exclusively from our designated supplier through our online store.

Uniforms

Your employees must wear the uniforms we specify. You must purchase all uniforms from our designated supplier through our online store.

Marketing Materials and Services

All marketing materials must comply with our standards and requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from suppliers we designate or approve. We may require that you utilize a designated supplier to implement a grand opening marketing campaign and/or provide social media marketing on your behalf.

Insurance Policies

You must obtain the insurance coverage we require from time to time (whether in the Franchise Agreement or in the Manual). You agree to obtain these insurance policies from insurance carriers rated "A+" by Alfred M. Best & Company, Inc. The required coverage currently includes:

Policy Type	Minimum Coverage
"All risk" Property Insurance	Replacement Value
Comprehensive General Liability Insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate
Professional Liability Insurance	$1,000,000 per occurrence and $1,000,000 in the aggregate
Automobile Liability Insurance	$1,000,000 per occurrence and $1,000,000 in the aggregate
Sexual Abuse/Molestation Insurance	$25,000 per occurrence and $50,000 in the aggregate
Commercial Umbrella Insurance (only required if you transport students)	$5,000,000 per occurrence and $5,000,000 in the aggregate
Business Interruption Insurance	At least 12 months
Employer's Liability Insurance	$1,000,000 per occurrence
Worker's Compensation Insurance	As required by law
Landlord-Required Insurance	As required by lease

The required coverage and policies are subject to change. All insurance policies must be endorsed to: (a) name us (and our members, officers, directors, and employees) as additional insureds; (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

Purchase Agreements

We may, but need not, negotiate relationships with suppliers to enable our affiliates and franchisees to purchase certain items at discounted prices. If we succeed, you may purchase these items at the discounted prices we negotiate (less any rebates or other consideration paid to us). As of the date of this Disclosure Document, we have negotiated a purchase agreement with American Business Solutions for branded school supplies, uniforms and folding tables, but franchisees are charged the standard pricing (this company pays us a rebate discussed later in this Item).

We may also purchase items in bulk and resell them to you at our cost plus a reasonable markup (your total cost to purchase the items from us will not exceed your total cost to purchase the items directly from the supplier without the benefit of our group purchasing power).

Currently there are no purchasing cooperatives, although we reserve the right to establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.

Franchisor Revenues from Source Restricted Purchases

We are the exclusive licensor of the Seashore Student Management Platform. However, we license this platform from a third-party and then sublicense you the right to use it. We currently charge a technology fee of $22 per student per year. We remit $19 of the $22 fee to the third-party licensor of the platform. We retain the rest as an administrative and support fee and to help offset our costs to develop and host a microsite dedicated to your Academy. Neither we nor any affiliate of ours is currently a supplier of any other goods or services you must purchase or lease. However, we reserve the right, at any time, to appoint ourselves and/or our affiliate as an approved or designated supplier for any goods or services we deem appropriate. No person affiliated with us is currently an approved (or the only approved) supplier. There are no approved or designated suppliers in which any of our officers owns an interest.

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner. As of the issuance date of this Disclosure Document, we receive the following rebates from suppliers:

- American Business Solutions pays us a rebate calculated as 10% of the total franchisee purchases of branded school supplies, uniforms and folding tables

During the fiscal year ended December 31, 2022, neither we nor our affiliates received any revenue as a result of franchisee purchases or leases of goods or services from designated or approved suppliers (including purchases from us or our affiliates).

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement (FA), Area Development Agreement (ADA) and other agreements. It will help you find more detailed information about your obligations in these agreements and other items in this Disclosure Document.

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	FA: Section 7.1 & 7.2	Item 7 & Item 11
	ADA: Section 4.2	
b. Pre-opening purchases/leases	FA: Section 7.3, 11.7 & 15.1	Item 7, Item 8 & Item 11
	ADA: Not Applicable	
c. Site development and other pre-opening requirements	FA: Section 7.3 & 7.4	Item 6, Item 7 & Item 11
	ADA: Section 4.2	
d. Initial and ongoing training	FA: Section 5	Item 6 & Item 11
	ADA: Not Applicable	
e. Opening	FA: Section 7.4	Item 11
	ADA: Section 4.1	
f. Fees	FA: Section 4.2, 5.7, 6.2, 6.7, 6.8, 7.5, 8.4, 10.1, 11.7, 11.9, 11.14, 13, 15.1, 16.2, 19.2 & 21.3	Item 5 & Item 6
	ADA: Section 5 & 7.2	
g. Compliance with standards and policies/Operating Manual	FA: Section 6.1, 7.1, 7.3, 10.3, 11 & 17.1	Item 11
	ADA: Section 4.2	
h. Trademarks and proprietary information	FA: Section 17	Item 13 & Item 14
	ADA: Section 2	
i. Restrictions on products/services offered	FA: Section 11.3	Item 16
	ADA: Not Applicable	
j. Warranty and client service requirements	FA: Section 11.13	Not Applicable
	ADA: Not Applicable	
k. Territorial development and sales quotas	FA: Not Applicable	Item 12
	ADA: Section 4.1	
l. Ongoing product/service purchases	FA: Section 11.7	Item 8
	ADA: Not Applicable	
m. Maintenance, appearance and remodeling requirements	FA: Section 11.8 & 11.10	Item 11
	ADA: Not Applicable	
n. Insurance	FA: Section 15.1	Item 6 & Item 7 & Item 8
	ADA: Not Applicable	

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
o. Advertising	FA: Section 10 ADA: Not Applicable	Item 6, Item 7 & Item 11
p. Indemnification	FA: Section 18 ADA: Not Applicable	Item 6
q. Owner's participation/ management/staffing	FA: Section 8 ADA: Not Applicable	Item 11 & Item 15
r. Records/reports	FA: Section 15.2 & 15.3 ADA: Not Applicable	Item 6
s. Inspections/audits	FA: Section 16 ADA: Not Applicable	Item 6 & Item 11
t. Transfer	FA: Section 19 ADA: Section 7	Item 17
u. Renewal	FA: Section 4 ADA: Section 4.4	Item 17
v. Post termination obligations	FA: Section 21 ADA: Not Applicable	Item 17
w. Non-competition covenants	FA: Section 14 ADA: Not Applicable	Item 17
x. Dispute resolution	FA: Section 22 ADA: Section 8.3	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	FA: Section 9 & ATTACHMENT "D" ADA: Not Applicable	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.

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

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

Before you open your Academy, we will:

1. Provide access to our Manual, which will help you establish and operate your Academy. See Section below entitled "Manual" for additional information. (Section 6.1)

2. Approve the location, layout and design of your Academy. See Section below entitled "Site Development" for additional information. (Section 7.1, 7.3 & 7.4)

3. Provide our written specifications for the goods and services you must purchase to develop, equip and operate your Academy and a list of approved and/or designated suppliers for these goods and services. We do not deliver or install any items that you purchase. (Section 11.2)

4. Provide an initial training program. See Section below entitled "Training Program" for additional information. (Section 5)

During the operation of your Academy, we will:

1. Sublicense you the right to use the Seashore Student Management Platform. See Section below entitled "Computer System" for additional information. (Section 6.2)

2. Provide access to our proprietary curriculum and related updates, which may be included in the Manual. (Section 11.2 & 11.3)

3. Provide our guidance and recommendations to improve the operation of your Academy. (Section 6.3)

4. Provide periodic training programs. See Section below entitled "Training Program" for additional information. (Section 5)

5. Maintain a corporate website to promote our brand. We will also develop and host a local microsite to promote and provide information about your Academy. We will determine the information that will be included about your Academy. Your microsite will be linked to our corporate website. We can modify or discontinue our corporate website (and your microsite) at any time. (Section 6.6 & 10.3(e))

6. Establish and implement the brand and system development fund. See Section below entitled "Brand and System Development Fund" for additional information. (Section 10.1)

7. Provide our standard form of enrollment agreement. We recommend you hire an attorney to review the form for compliance with local laws in your state. You may not modify our form of enrollment agreement without our approval. (Section 11.4)

8. Provide our suggested retail pricing. You may deviate from our suggested retail pricing at your discretion. To the extent permitted by applicable law, we may set maximum or minimum prices on the goods and services you sell. (Section 11.6)

During the operation of your Academy, we may, but need not:

1. Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to the operation and management of your Academy. (Section 6.4)

2. Negotiate purchase agreements with suppliers to allow you to purchase certain goods or services at discounted prices. We may also purchase items in bulk at discounted prices and resell them to you at our cost plus shipping and a reasonable markup. (Section 6.8)

3. Hold periodic conferences to discuss business and operational issues affecting franchisees, including industry changes, new services and/or merchandise, marketing strategies and the like. (Section 5)

4. Create a franchise advisory council. See Section below entitled "Advisory Council" for additional information. (Section 12)

5. Upon request, provide additional training or assistance (either at our headquarters or at your Academy). See Section below entitled "Training Program" for additional information. (Section 5)

We do not provide area developers with any support under their ADA.

Training Program (Section 5)

Overview

We will provide an initial training program for up to 4 people. Your Managing Owner (defined in Item 15) and designated manager must successfully complete initial training to our satisfaction before your Academy opens. Your other owners may attend initial training, but it is not required. There is no specific period of time after signing or before opening that training must be completed. You are responsible for teaching your employees and staff members (other than your management personnel).

The initial training program includes online training (conducted remotely) and approximately 4 days of training at one of our affiliate-owned Seashore Academies in California (or at any other location we designate). Currently, we intend to offer the initial training program at least once per quarter assuming sufficient demand.

Training Topics

The initial training program consists of the following:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Welcome to Seashore Academy!	1	0	Newport Beach, California and/or Online
Business Management	8	1	Newport Beach, California and/or Online
Computer & Software Systems	4	1	Newport Beach, California and/or Online
Curriculum	20	8	Newport Beach, California and/or Online
Classroom and Teaching Policies and Execution	20	8	Newport Beach, California and/or Online
HR	4	1	Newport Beach, California and/or Online
Opening & Closing Procedures	1	1	Newport Beach, California and/or Online
Reporting & Communication	2	1	Newport Beach, California and/or Online
Total	60	21	

Training Materials

The training materials primarily consist of the Manual. You will not be charged an additional fee for any training materials.

Instructors

Our Founder and Chief Executive Officer, Marlene Dandler, is in charge of our training program. She also founded the original Seashore Academy in 2011 (which, until January 2019, was limited to a Mandarin immersion program). She provides instruction in all areas. She has a total of 12 years of experience in the education field.

Other instructors may include Seashore Academy trainers, administrative staff, managers and/or assistant managers. Each instructor will have a minimum of 2 years of experience with Seashore Academy.

Ongoing Training

From time to time, we may require that your Managing Owner and management personnel attend system-wide refresher or additional training courses.

If you appoint a new Managing Owner or designated manager, that person must attend and successfully complete our initial training program before assuming responsibility for the management of your Academy.

If we inspect your Academy and determine you are not operating in compliance with the Franchise Agreement and/or the Manual, we may require that the Managing Owner and/or your management personnel attend

remedial training that addresses your operational deficiencies.

You may also request that we provide additional training (either at corporate headquarters or at your Academy). We are not required to provide this additional training.

Training Fees and Costs

We will provide our pre-opening initial training program in exchange for the $1,500 initial training fee. You must pay us an additional training or assistance fee of up to $450 per person per day for:

- each person that attends our initial training program after your Academy opens (such as a new Managing Owner or designated manager)
- any person who retakes training after failing a prior attempt
- any remedial training we require based on your operational deficiencies
- each person to whom we provide additional training that you request
- each person who attends a system-wide or additional training program we conduct
- any special assistance you request beyond what we must provide under the Franchise Agreement

If we agree to provide onsite training or assistance, you must also reimburse us for all costs incurred by our representative for meals, travel and lodging. You are responsible for all expenses and costs your trainees incur for training, including wages, travel and living expenses.

Manual (Section 6.1, 11.2 & 24.8)

We will provide you with access to our web-based Manual during the term of your Franchise Agreement. The Manual may include, among other things:

- a description of the authorized goods and services you may offer and sell
- a description of the classes and programs you may offer, including the associated curriculum
- the form of enrollment agreement you must use to enroll students at your Academy
- specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Seashore Academies
- reporting and insurance requirements
- specifications for your facility
- policies and procedures pertaining to any gift card program we establish
- policies and procedures pertaining to marketing and advertising
- policies and procedures relating to data ownership, protection, sharing and use
- a list of (a) the goods and services (or specifications for goods and services) you must purchase to develop and operate your Academy and (b) any designated or approved suppliers for these goods and services

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. All mandatory provisions contained in the Manual are binding on you. We can modify the Manual at any time, but the modifications will not alter your status or fundamental rights under the Franchise Agreement. Any modification to the Manual is effective at the time we notify you of the change. However, we may provide you with a reasonable period of time to implement certain changes resulting from modifications to the Manual (for example, implementing new software of technology). Upon your request, we will allow you to review the Manual prior to purchasing the franchise.

Site Development (Section 7 & 11.10)

A typical Academy ranges in size from 2,000 to 10,000 square feet. We do not select the site for your Academy

and we do not purchase the premises and lease it to you. We do not typically own the premises and then lease it to the franchisee. Your Academy must be located within the Site Selection Area identified in Part B of ATTACHMENT "A" to the Franchise Agreement (the "Site Selection Area") and conform to our minimum site selection criteria. You must send us a complete site report for your proposed site (containing all demographic, commercial and other information, photographs and video tapes we reasonably require).

We will approve or disapprove a proposed site within 30 days after we receive all of the requisite materials. We generally allow franchisees to select whatever site they desire. We do not anticipate rejecting any proposed site unless it is located (a) outside the Site Selection Area or (b) in close proximity to a cellphone tower or other potential health or safety hazard. You are solely responsible for ensuring that any site you propose is properly zoned for a Seashore Academy.

If we approve your site before signing the Franchise Agreement, we will list the address of your approved site in Part C of ATTACHMENT "A" to the Franchise Agreement. If we do not approve your site before signing the Franchise Agreement, then within 15 days after we approve your site, we will send you a Site Approval Notice in the form attached to the Franchise Agreement as ATTACHMENT "B" (the "Site Approval Notice"). The Site Approval Notice will list the address of your approved site and identify your Territory.

You must locate and obtain our approval of the site for your Academy within 120 days after your sign the Franchise Agreement. If you fail to do so, we may terminate your Franchise Agreement.

We do not review the terms of your lease. However, if you will lease the premises for your Academy, you must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to the Franchise Agreement as ATTACHMENT "C". The terms of the Lease Addendum are designed to protect our interests. For example, the landlord must notify us of your defaults, offer us the opportunity to cure your defaults, allow us to take an assignment of your lease in certain situations, permit us to enter the premises to remove items bearing our Marks if you refuse to do so and give us a right of first refusal to lease the premises upon the expiration or termination of your lease. If your landlord refuses to sign the Lease Addendum in substantially the form attached to the Franchise Agreement, we may either (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord) or (b) require that you find a new site for your Academy. You must promptly send us a copy of your fully executed lease and Lease Addendum for our records.

The Manual includes our standards and specifications pertaining to the design, layout, equipping and trade dress for an Academy. In most cases, we do not expect franchisees will need to complete any remodeling or structural renovation. However, the facility may require minor renovations and upgrades, such as replacing the carpet and repainting the interior and/or exterior of the facility. You must purchase (or lease) and install all computer systems, furniture, fixtures, equipment, signs and other items we require.

You must remodel and make all improvements and alterations to your Academy that we reasonably require from time to time to reflect our then-current standards and specifications. We will not require that you spend more than $30,000 on remodeling your Academy during any 10-year period. However, there is no limitation on the cost of any remodeling that we may require as a condition to you renewing or transferring your franchise. You may not remodel or significantly alter your premises without our prior approval.

If you sign an ADA, we must approve the site for each Academy you develop applying our then-current site selection criteria.

Computer System (Section 6.7, 11.7, 11.8, 11.9, 15.3 & 16.1)

Required Components

You must purchase and use all Technology Systems we designate from time to time. Our required Technology Systems may include computer systems, point-of-sale system, webcam systems, telecommunications systems, security systems, and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

One component of our Technology Systems is your "computer system," which consists of the following items:

- Chromebooks (one per staff member - we estimate most franchisees will require between 5 and 30 Chromebooks at the time they open)
- Router
- QuickBooks Online
- Seashore Student Management Platform

We may change the components of the Technology Systems from time to time, including your computer system.

Email Addresses

We may, but need not, provide you with one or more email addresses for use with your Business. If we do so, you must exclusively use the email address(es) we provide for all communications with us, customers, suppliers and other persons relating to your Business. You may not use any email address we provide for any purpose unrelated to your Business. We will own the email addresses and accounts but allow you to use them during the term of your Franchise Agreement.

How Computer System Is Used

The computer system will generally be used for the following purposes:

- managing daily workflow
- coordinating the customer experience
- completion and submission of online enrollment applications by parents
- managing and storing enrollment agreements
- tracking student enrollment
- storing and managing contact information for students and families
- student management, including attendance records, report cards, teacher notes, parent notifications and payment history (both parents and teachers may access the Seashore Student Management Platform, although access to certain information may be restricted to teachers)
- managing accounts payable and receivable
- financial accounting
- managing employees
- preparing business and financial reports
- communicating through email

Fees and Costs

We estimate the initial cost of your computer system will range from $2,000 to $8,000. The cost varies depending on the number of your staff members. Each staff member requires 1 Chromebook (we anticipate most franchisees will need between 5 and 30 Chromebooks at the time of opening).

As further detailed in Item 6, you must pay us a technology fee for software, technology and related services we provide. As of the issuance date of this Disclosure Document, we charge a technology fee calculated as $22 per year per student. In exchange for the technology fee, we: (a) sublicense you the right to use the Seashore Student Management Platform; and (b) develop and host a microsite dedicated to your Academy. The table below identifies the ongoing fees and costs you must pay for the software, technology, Apps, subscriptions and related services you must purchase or license:

COMPUTER SYSTEM – ONGOING FEES AND COSTS		
Item	**Fee (Annual)**	**To Whom Paid?**
QuickBooks Online	$480 to $720	Third-Party Licensor
Seashore Student Management Platform & Microsite Development and Hosting *(covered by technology fee)*	$22 per student	Us

Maintenance, Support, Updates and Upgrades

In exchange for the fees listed in the table above, the third-party licensors of the associated software and technology platforms will provide all required maintenance, support and updates.

Except as otherwise disclosed above: (a) neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system; and (b) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system.

Collection and Sharing of Data

Your computer system will collect various information about your students and their families, including contact information, enrollment information, attendance records, report cards, teacher notes, parent communications and payment history. Your computer system will also collect financial data regarding the operation of your Academy. We will have independent unlimited access to the data collected on your computer system and there are no contractual limits imposed on our access. You must provide us with independent access to your QuickBooks online account with permission to read all reports.

We will own all data that you and/or we collect relating to your students and their families. We will grant you a license to use this data solely for purposes of operating your Academy. You must protect all student and family data with a level of control proportionate to the sensitivity of data. You must comply with all applicable data protection laws as well as our data processing and data privacy policies set forth in the Manual from time to time. You must also comply with the standards established by PCI-DSS to protect the security of credit card information.

We may require that you share your operational data with third-party suppliers for purposes of measuring, consolidating, benchmarking and ranking certain performance metrics. We may use this data to help us identify areas for improvement and formulate an appropriate and effective strategy to address these issues and improve your operations. We may share your operational data with other franchisees.

Computer System Maintenance and Changes

You must maintain your computer system in good condition at your cost. We may require that you upgrade or update your computer system and other Technology Systems to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these updates or upgrades.

Brand and System Development Fund (Section 10.1)

We will establish and maintain a brand and system development fund to promote public awareness of our brand and to improve our System. We may use the fund to pay for any of the following in our discretion:

- developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs
- conducting and administering promotions, contests or giveaways
- expanding public awareness of the Marks
- public and consumer relations and publicity

- brand development
- sponsorships
- charitable and nonprofit donations and events
- research and development of technology, products and services
- website development and search engine optimization
- development of an ecommerce platform
- development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys
- conducting market research
- changes and improvements to the System
- the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts
- collecting and accounting for contributions to the fund
- preparing and distributing financial accountings of the fund
- any other programs or activities that we deem appropriate to promote or improve the System
- direct and indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities (including salary, benefits and other compensation of any of our, and any of our affiliate's, officers, directors, employees or independent contractors based upon time spent working on any brand fund matters described above)

We will direct and have complete control and discretion over all advertising programs paid for by the fund, including the creative concepts, content, materials, endorsements, frequency, placement and media used for the programs. During the first few years after we establish the brand fund, we anticipate most advertising will be local or regional in coverage and will consist of social media marketing. The fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as "franchises available" and one or more pages on our website may promote the franchise opportunity.

You must contribute to the fund the amount we specify from time to time (not to exceed 2% of Gross Sales). We will deposit into the fund all: (a) fund contributions paid by you and other franchisees; and (b) fines paid by you and other franchisees. Any affiliate-owned Academy will contribute to the fund on the same basis as our franchisees. However, if we modify the amount or timing of the contributions that must be made to the fund, any affiliate-owned Academy that is established or acquired after the modification may contribute to the fund utilizing the modified amount or timing. Except as stated in this paragraph, we have no obligation to expend our own funds or resources for any marketing activities in your area.

All monies deposited into the fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies in the fund may be invested and we may lend money to the fund if there is a deficit. An unaudited financial accounting of the operations of the fund will be prepared annually and made available to you upon request. During the fiscal year ended December 31, 2022, we did not collect or spend any monies from the brand and system development fund.

Allocation of Marketing Expenditures (2022)				
Use of Funds	**Production**	**Media Placement**	**Administrative Expenses**	**Other**
Percentage Allocation	-	-	-	-

We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or

administration of the fund. The fund will not be a trust and we will have no fiduciary obligations with respect to our administration of the fund. Once established, we reserve the right to discontinue the fund at any time in our sole discretion upon at least 30 days' prior notice.

Local Advertising (Section 10.2 & 10.3)

You must spend a minimum monthly amount equal to your Local Marketing Commitment (which is the greater of $200 per month or 2% of your Gross Sales) on local advertising. We may reduce or waive this requirement at any time that student enrollment at your Academy is at least 90% of your maximum enrollment capacity. We will measure your compliance on a rolling 6-month basis, meaning as long as your average monthly expenditure on local advertising over the 6-month period equals or exceeds your Local Marketing Commitment, you will be deemed in compliance even if your expenditure in any given month is less than the minimum Local Marketing Commitment. You must participate at your own expense in all advertising, promotional and marketing programs we require.

We may create and make available to you advertising and marketing materials for your purchase. We may use the brand fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third-party suppliers who will create the advertising or marketing materials for your purchase. We will provide reasonable marketing consulting, guidance and support throughout the franchise term on an as needed basis.

You may create advertising for your own use, provided we approve it in advance. You may not use any advertising materials that we have not approved. You must submit to us any advertising materials that you prepare or modify and we will have 15 days to review and either approve or reject the materials. Our failure to approve any advertising materials within the 15-day period will constitute our disapproval of the materials.

Under current policy, you may not: (a) develop, host, or otherwise maintain a website or other digital presence relating to their business (including any website bearing any of our Marks); or (b) utilize the Internet to conduct digital or online advertising or otherwise engage in ecommerce. However, we do encourage you to market your Academy through approved social media channels, subject to the following requirements:

- you may only conduct social media utilizing the social media platforms that we approve
- you must strictly comply with our then-current social media policy
- you must immediately remove any post we disapprove (even if it complies with our social media policy)
- we may require that you utilize a supplier we designate for social media marketing serviceswe will own the social media account but allow you to use it during the term of your franchise

You are not required to participate in an advertising cooperative.

Advisory Council (Section 12)

We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. We would consider all suggestions in good faith, but would not be bound by them. The council would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of council representatives to communicate with us on matters raised by the council. You would have the right to be a member of the council as long as you are not in default under the Franchise Agreement and you do not act in a disruptive, abusive or counter-productive manner, as determined by us in our discretion. As a member, you would be entitled to all voting rights and privileges granted to other members of the council. Any Academy operated by us or our affiliates would also be a member of the council. Each member would be granted 1 vote on all matters on which members are authorized to vote. We would have the power to form, change or dissolve the advisory council in our discretion.

Opening Requirements (Section 7.4)

We anticipate a typical franchisee will open within 3 to 6 months after signing the Franchise Agreement. Factors that may affect this time include identification of a suitable location, securing financing, the extent to which an existing location must be upgraded or remodeled, delayed installation of equipment and fixtures, completion of training, hiring and training teachers, obtaining insurance, and complying with local laws and regulations.

You may not open prior to receipt of our written authorization to open. We will not issue our authorization to open until all of the following conditions are met:

- the initial trainees successfully complete the initial training program
- you purchase all required insurance policies and provide us with evidence of coverage
- you obtain all required licenses, permits and other governmental approvals
- you hire and train the teachers and staff members necessary to operate your Academy
- we review and approve the build-out and layout of your Academy

Unless we agree to the contrary, you must open your Academy to the public within 180 days after signing the Franchise Agreement. We may terminate the Franchise Agreement if you fail to open by this deadline.

ITEM 12 TERRITORY

Location of Your Business

The Franchise Agreement grants you the right to operate one Academy from the site we approve. The site for your Academy must be located within the Site Selection Area described in Part B of ATTACHMENT "A" to your Franchise Agreement.

You may relocate your Academy with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you must:

- obtain our approval of the site for your new Academy within the Site Selection Area (but outside any territory granted or reserved to us, our affiliate or any other franchisee)
- pay us a $7,500 relocation fee at the time we approve your relocation request
- comply with our then-current site selection and development requirements
- open your new Academy and resume operations within 30 days after closing your prior Academy

Your Territory (Franchise Agreement)

We will identify the boundaries of your territory. If we approve the site for your Academy before you sign the Franchise Agreement, then your territory will be identified in Part D of ATTACHMENT "A" to your Franchise Agreement. If we do not approve the site for your Academy before you sign the Franchise Agreement, then your territory will be identified in the Site Approval Notice that we send to you after we approve the site for your Academy.

Your territory will include a minimum of 35,000 Qualifying Children. A "Qualifying Child" is any child that: (a) is 18 years of age or younger; and (b) lives in a household with annual income of $150,000 or more. Most territories include between 35,000 and 45,000 Qualifying Children. We determine this data using our territory mapping software "Geostrategies". We do not modify your territory based on subsequent population changes. However, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria at the time you renew your franchise.

Your territory will be exclusive. We will not develop or operate, or authorize a third party to develop or operate, an Academy using our Marks that is physically located within your territory during the term of your Franchise Agreement.

Your Development Territory (ADA)

If you sign an ADA, we will grant you a protected development territory. Each Academy you develop must be located within your development territory. A development territory typically consists of a geographic area that coincides with the boundaries of a municipality, such as a city, county or state. There is no specific minimum or maximum size for a development territory. In determining the size of your development territory, we primarily consider the number of Academies you intend to develop.

You will not receive an exclusive development 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.

Although we do not grant exclusive development territories, we do grant you certain territorial protections. Specifically, we will not develop or operate, or authorize a third party to develop or operate, any Academy using our Marks that is physically located within your development territory during the term of the ADA except for any Academies that are located within your development territory as of the date you sign the ADA (either open, under construction or for which a Franchise Agreement has been signed).

You must sign a separate Franchise Agreement for each Academy you develop. We must approve the site of each Academy you develop according to our then-current site selection criteria. At least 7 days before signing, we will send you a complete execution copy of the ADA that includes your development territory, development fee and development schedule.

Alternative Channels of Distribution

We reserve the right to sell, or license others to sell, competitive or identical goods or services (whether under the Marks or under different trademarks) through alternative channels of distribution (including over the Internet or through sales catalogs or telemarketing), including within your territory and development territory, if applicable. You are not entitled to any compensation for sales that take place through alternative channels of distribution.

Restrictions on Your Sales and Marketing Activities

You can market and advertise outside of your territory and development territory, if applicable, as long as: (a) you comply with all policies and procedures in the Manual governing extra-territorial marketing; and (b) you do not engage in any targeted marketing directed into a territory or development territory assigned to us, our affiliate or another franchisee (except as otherwise noted below).

You may not engage in targeted marketing directed into a territory assigned to us, our affiliate or another franchisee. Marketing that is distributed, circulated or received both within your territory and within another territory is not deemed to be "targeted marketing" if: (a) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your territory; and (b) the majority of the recipients of the advertising are located within your territory and there is only incidental circulation or distribution within a territory assigned to us, our affiliate, or another franchisee. The meaning of "targeted marketing" that is "directed into a territory" may be further defined in the Manual, but examples include direct mail sent to addresses within a given territory, digital advertising sent to devices with IP addresses registered within a given territory and setting up promotional events that take place within a given territory.

You must comply with any minimum advertised pricing policy that we establish from time to time.

With the exception of social media conducted in accordance with our social media policy, you may not market or sell using alternative channels of distribution (such as the Internet, catalog sales, telemarketing or other direct marketing) either within or outside of your territory or development territory, if applicable. Your marketing activities are also subject to the additional restrictions described in Item 11 under the Section entitled "Local Advertising." There are no other restrictions on your right to solicit students or families, whether from inside or outside of your territory and development territory, if applicable.

Minimum Performance Requirements

Your territorial exclusivity under your Franchise Agreement does not depend on achieving a certain sales volume, market penetration, or other contingency.

If you sign an ADA and fail to satisfy your development schedule by opening and operating the minimum number of Academies within the required period of time, we may terminate your ADA and you will lose the territorial protections associated with your development territory.

Additional Franchises and Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises, other than your right and obligation to develop multiple Academies within your development territory if you sign an ADA.

Competitive Businesses Under Different Marks

Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered at an Academy. However, we reserve the right to do so in the future.

ITEM 13 TRADEMARKS

We grant you the right to operate a franchise under the name "Seashore Academy" and logo shown on the cover page of this Disclosure Document. By trademark, we mean trade names, trademarks, service marks, and logotypes used to identify your Academy or the products or services that you sell. We may change the trademarks you may use from time to time (including by discontinuing use of the Marks listed in this Item 13). If this happens, you must change to the new trademark at your expense.

Our affiliate, Seashore Academy, LLC, applied to register the following trademarks on the Principal Register at the United States Patent and Trademark Office:

UNREGISTERED MARKS		
Mark	**Serial Number**	**Application Date**
SEASHORE ACADEMY	97220955	January 14, 2022
	97220961	January 14, 2022

Each application listed above was submitted on a dual-filing basis, with franchising services filed under an intent-to-use basis and various educational services filed based on actual use.

We do not have a federal registration for the Marks above. Therefore, these Marks do not have many legal benefits and rights as a federally registered trademark. If our right to use any of these Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits have been filed and we intend to file all renewals by the required renewal date.

On March 23, 2022, we entered into a License Agreement (the "License Agreement") with Seashore Academy, LLC. Under the terms of the License Agreement, Seashore Academy, LLC granted us a perpetual, paid-up, royalty-free license to use the Marks throughout the United States in the Seashore Academy System and to sublicense the Marks to our franchisees. Seashore Academy, LLC is permitted to terminate the License Agreement only if: (a) we declare bankruptcy or become insolvent; (b) we and Seashore Academy, LLC mutually agree to terminate the License Agreement; (c) we breach Seashore Academy, LLC's quality control

standards and fail to cure the breach within a 60 day cure period; or (d) we undergo a change in control or restructuring. If the License Agreement is terminated, the agreement states that all sublicenses granted by us to our franchisees will continue in full force and effect until the expiration or termination of the applicable franchise agreement. Except as discussed above, no agreements limit our right to use or sublicense the use of the Marks.

You must follow our rules when using the Marks. You cannot use our name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the Seashore Academy name relating to the sale of any product or service that we have not authorized. If we modify or discontinue use of any of the Marks, you must comply with any such instructions from us within 30 days at your expense. We will not be liable to you for any expenses, losses or damages you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Mark.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate. We are not required to take any action if we do not feel it is warranted. We may require your assistance, but you may not control any proceeding or litigation relating to our Marks. You must not directly or indirectly contest our or Seashore Academy, LLC's right to the Marks.

We will indemnify you against, and reimburse you for: (a) all damages for which you are held liable in any judicial or administrative proceeding arising out of your use of the Marks in strict compliance with the Franchise Agreement and Manual; and (b) all costs you reasonable incur in defending against any such claim brought against you in any proceeding in which you are named as a party. Our indemnification obligation will only apply if you notify us of the claim or proceeding in a timely manner and you are in full compliance with the Franchise Agreement and Manual.

Except for the limited indemnification obligation described above, the Franchise Agreement does not require us to: (a) protect your right to use the Marks or protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (b) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our marks or if the proceeding is resolved in a manner that is unfavorable to you.

There are currently no: (a) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; and/or (c) pending material litigation proceedings involving any of the Marks. We do not know of any infringing uses that could materially affect your use of the Marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

Although we have not filed an application for copyright registration for the Manual, our website, our curriculum or our marketing materials, we do claim a copyright to these items.

During the term of your Franchise Agreement, we will allow you to use our proprietary information relating to the development, marketing and operation of a Seashore Academy, including, methods, techniques, specifications, procedures, policies, marketing strategies, financial data, supplier lists and information comprising the System and the Manual. We will own (a) all data collected about your students and families and (b) all data collected regarding your business operations. However, we license you the right to use this data in the operation of your Academy during the term of your Franchise Agreement. You must maintain the confidentiality of our proprietary information and use it only in strict accordance with the terms of the Franchise Agreement and the Manual. You must promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. You may not control any proceeding or litigation alleging the unauthorized use of our proprietary information. We have no obligation to indemnify you for any expenses or damages arising from any proceeding

or litigation involving our proprietary information. There are no infringements known to us at this time.

All ideas, improvements, inventions, marketing materials, and other concepts you develop relating to the operation of your Academy will be owned by us.

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

You must designate an owner who will have overall responsibility for the management and operation of your Academy (the "Managing Owner"). The Managing Owner must:

- be approved by us
- successfully complete all training programs we require
- dedicate full-time efforts to the Business
- at all times hold at least a 10% ownership interest in the franchise (or the entity that is the franchisee under the Franchise Agreement) unless we waive this requirement

The Managing Owner is not required to provide onsite management of your Academy as long as a dedicated manager is onsite. Any new Managing Owner you appoint must successfully complete our then-current initial training program before becoming involved with the supervision, management or operation of the Business.

You may hire a dedicated manager to provide onsite management and supervision of your Academy. Any person you hire as a dedicated manager must:

- be approved by us
- successfully complete all training programs we require
- dedicate full-time efforts to the onsite management and supervision of your Academy
- sign the Brand Protection Agreement attached to the Franchise Agreement as ATTACHMENT "F"

You may also hire assistant managers who would report to the Managing Owner or your designated manager. At all times during normal business hours, either the Managing Owner or your designated manager must be present at your Academy to provide onsite management and supervision. The Managing Owner must monitor and supervise the activities of the dedicated manager to ensure the Academy is operated in accordance with the Franchise Agreement and the Manual. We do not require that your designated manager own any equity interest in the franchise, although it is recommended.

All of your employees and other agents or representatives who may have access to our confidential information (and who are not required to sign a Brand Protection Agreement) must sign the Confidentiality Agreement attached to the Franchise Agreement as ATTACHMENT "G".

If you are an entity, each owner (i.e., each person holding an ownership interest in you) and the spouse of each owner must sign the Franchise Owner Agreement attached to the Franchise Agreement as ATTACHMENT "D".

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We must approve all goods and services you sell. You must offer all goods and services we require, including core classes as well as electives and enrichment programs. We may give you the option, but not the obligation, to offer certain programs or services (such as Summer Camp or tutoring). Or we may designate these programs or services as mandatory. You must only utilize the academic curriculum and educational materials we approve. You may not offer or conduct any classes, camps or programs, or sell any goods or services that we have not approved. You may not offer any enrollment options we have not approved. You may not exceed any maximum teacher to student ratio we specify. All classes, camps and programs must be conducted and held at your Academy. However, we may allow you to conduct exhibits, promotional events or similar activities from off-site locations within your territory or within areas outside your territory that are not assigned to us or another franchisee. We may require that you participate in a gift card program in accordance with our policies and

procedures. You may not sell any gift certificates other than those designated or approved by us. At any time, we may change the goods and services you offer and sell and you must comply with any such change.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise agreement (FA), Area Development Agreement (ADA) and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
a. Length of the franchise term	FA: Section 4.1	Term is equal to 10 years.
	ADA: Section 2	Term expires on opening of last Academy to be developed under development schedule.
b. Renewal or extension of the term	FA: Section 4.1 & 4.2	If you meet our conditions for renewal, you can enter into 1 consecutive successor franchise agreement. The renewal term will be 10 years, for a total maximum term of 20 years. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law).
	ADA: Section 4.4	No renewal rights.
c. Requirements for you to renew or extend	FA: Section 4.1 & 4.2	You must: not be in default; give us timely notice; sign our then-current form of franchise agreement and related documents (e.g., Franchise Owner Agreement, etc.); sign a general release (subject to state law); pay renewal fee; remodel or upgrade your facility and its furniture, fixtures and equipment to comply with our then-current standards and specifications; and maintain possession of your Academy under your lease. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
	ADA: Section 4.4	You may not renew or extend the term of the ADA.
d. Termination by you	FA: Section 20.1	You can terminate only if we fail to cure a material default within the cure period.
	ADA: Section 8	You can terminate under any grounds permitted by law.
e. Termination by us without cause	FA: Section 20.4	We can terminate without cause if you and we mutually agree to terminate.
	ADA: Not Applicable	Not applicable
f. Termination by us with cause	FA: Section 20.2 & 20.3	We can terminate if you default.
	ADA: Section 8	We can terminate if you default.
g. "Cause" defined - curable defaults	FA: Section 20.2 & 20.3	You have 10 days to cure any monetary default. You have 30 days to cure any other default, other than defaults described below under "non-curable defaults".
	ADA: Section 8	You have 30 days to cure any default, other than defaults described below under "non-curable defaults".

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
h. "Cause" defined - non-curable defaults	FA: Section 20.2	The following defaults cannot be cured: failure to successfully complete training; failure to find approved site or open in timely manner; insolvency, bankruptcy or seizure of assets; abandonment; failure to maintain required license or permit; conviction of certain types of crimes or subject of certain administrative actions; failure to comply with material law; commission of act that may adversely affect reputation of System or Marks; health or safety hazards; material misrepresentations; 2nd underreporting of any amount due by at least 2%; unauthorized transfers; unauthorized use of our intellectual property; violation of brand protection covenant; breach of Franchise Owner Agreement by owner or spouse; termination of lease due to your default; 3 or more defaults during the term; or termination of any other agreement between you and us or an affiliate due to your default. However, the termination of an ADA due to your default is not grounds for termination of any Franchise Agreement that is otherwise in good standing.
	ADA: Section 8	You cannot cure any default relating to the termination of a franchise agreement based on your default. Any termination of a franchise agreement is a default under the ADA allowing us to terminate without cure period.
i. Your obligations on termination/non-renewal	FA: Section 21.1	Obligations include: remove trade dress and alter premises to eliminate any resemblance to a Seashore Academy; cease use of intellectual property; return Manual and branded materials; assign telephone numbers, listings and domain names; assign student and family information and accounts; cancel fictitious names; and pay amounts due (also see "r", below).
	ADA: Not Applicable	The ADA does not impose any specific obligations on you after it is terminated or expires.
j. Assignment of contract by us	FA: Section 19.1	No restriction on our right to assign.
	ADA: Section 7.1	No restriction on our right to assign.
k. "Transfer" by you – definition	FA: Section 19.2 & ATTACHMENT "H" (definition of "Transfer")	Includes transfer of contract or assets, or ownership change.
	ADA: Section 1 (definition of "Transfer") & 7.2	Includes transfer of contract or assets, or ownership change.
l. Our approval of transfer by you	FA: Section 19.2, 19.3 & ATTACHMENT "H" (definition of "Permitted Transfer")	If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to an existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.
	ADA: Section 1 (definition of "Permitted Transfer"), 7.2 & 7.3	If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to an existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
m. Conditions for our approval of transfer	FA: Section 19.2	Transferee must: meet our qualifications; successfully complete training (or commit to do so); obtain required licenses and permits; agree in writing to assume your obligations under any agreements relating to the Business; and sign then-current form of franchise agreement for remainder of term (or at our option, take assignment of existing franchise agreement). You must: be in compliance with Franchise Agreement; assign lease (if applicable); remodel facility and upgrade furniture, fixtures and equipment to current standards (or get a commitment from transferee to do so); pay transfer fee; and sign a general release (subject to state law). We must notify you that we do not intend to exercise our right of first refusal.
	ADA: Section 7.2	Transferee must: meet our qualifications; successfully complete training (or commit to do so); and sign then-current form of area development agreement for remainder of term (or at our option, take assignment of existing ADA). You must: be in compliance with all Franchise Agreements and ADA; assign all Franchise Agreements to same purchaser unless we agree to contrary (or at our option, purchaser must sign then-current form of franchise agreement); comply with transfer provisions under Franchise Agreements; pay transfer fee; and sign a general release (subject to state law). We must notify you that we do not intend to exercise our right of first refusal.
n. Our right of first refusal to acquire your business	FA: Section 19.5	We can match any bona fide, arms-length offer for your Academy or ownership interests in you.
	ADA: Section 7.5	We can match any bona fide, arms-length offer for your area development rights.
o. Our option to purchase your business	FA: Section 21.2	We have the option to purchase your Academy at the expiration or termination of the Franchise Agreement.
	ADA: Not Applicable	We do not have a right to purchase your area development rights unless you attempt to transfer to a third-party purchaser.
p. Your death or disability	FA: Section 19.4	Within 180 days, franchise must be assigned by estate to an assignee in compliance with conditions for other transfers. We may designate manager to operate the Academy prior to transfer.
	ADA: Section 7.4	Within 180 days, franchise must be assigned by estate to an assignee in compliance with conditions for other transfers.
q. Non-competition covenants during the term of the franchise	FA: Section 14.2 & 14.3	No involvement in competing business; comply with non-disclosure covenants.
	ADA: Not Applicable	The ADA does not impose any noncompetition covenants.
r. Non-competition covenants after the franchise is terminated or expires	FA: Section 14.2, 14.4 & 21.1	No involvement for 2 years in competing business at the premises for your Academy or within 25 miles of your Academy (subject to state law); comply with non-disclosure covenants; cease use of intellectual property.
	ADA: Not Applicable	The ADA does not impose any noncompetition covenants.
s. Modification of the agreement	FA: Section 24.3 & 24.8	Requires writing signed by both parties (except for unilateral changes to Manual or reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various states laws.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
	ADA: Section 11.6	Requires writing signed by both parties. Other modifications primarily to comply with various states laws.
t. Integration/merger clause	FA: Section 24.8	Only the terms of the Franchise Agreement and its attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.
	ADA: Section 11.6	Only the terms of the ADA and its attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document and ADA may not be enforceable. Nothing in the ADA or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.
u. Dispute resolution by arbitration or mediation	FA: Section 22	Subject to state law, all disputes must be mediated or arbitrated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants.
	ADA: Section 8.3	Subject to state law, all disputes must be mediated and then arbitrated before litigation.
v. Choice of forum	FA: Section 22	Subject to state law, all mediation, arbitration and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently, Orange County, California).
	ADA: Section 8.3	Subject to state law, all mediation, arbitration and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently, Orange County, California).
w. Choice of law	FA: Section 24.1	Subject to state law, California law governs.
	ADA: Section 11.1	Subject to state law, California law governs.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

System Statistics, Reporting Group and Reporting Period

As of December 31, 2022, there were 0 franchised Academies and 3 affiliate-owned Academies ("Affiliate Outlets") in operation. This financial performance representation includes data from the 1 Affiliate Outlet that (1) was open and in operation during the entire 2022 calendar year (January 1, 2022 to December 31, 2022) and (2) operates using a "full-day model" (the "Reporting Group"). We excluded data from the Academy in Mission Viejo, California because it opened in September 2022 and therefore was not in operation during the entire 2022 calendar year. We also excluded data from the Academy in Huntington Beach, California because it operates using a "half-day model", which is materially different from the "full-day model" implemented at franchised Academies.

The information in the table below is a historical financial performance representation for the Reporting Group for the 2022 calendar year ("Reporting Period"). The financial information was prepared from internal accounting records and reports.

The Affiliate Outlets do not pay royalty fees, brand fund contribution, or local marketing commitment that franchised Academies will have to pay. The Affiliate Outlet included in this financial performance representation offers similar services and faces a similar degree of competition anticipated for the franchised Academies offered under this Franchise Disclosure Document.

Financial Performance Representation

Table 1 includes the performance of the Affiliate Outlet in Newport Beach, California during the Reporting Period. This Academy is approximately 10,000 square feet in size and opened in January 2019. It has a maximum enrollment capacity of 314 students. There are no material differences between this Academy and the franchised business offered under this Disclosure Document.

Table 1
Student Enrollment, Revenues, Expenses, and Earnings
For the Affiliate Outlet in Newport Beach, California
During the Reporting Period

	Spring Semester (January through June)	Fall Semester (July through December)	Total for Year
Student Enrollment			
Enrollment	314	294	314
Revenues			
Gross Sales	$1,947,660	$1,379,441	$3,327,101
Expenses			
Labor Costs	($887,298)	($936,125)	($1,823,423)
Local Marketing	($14,606)	($22,862)	($37,468)
Operating Costs	($317,232)	($265,466)	($582,699)
Total Expenses	($1,219,136)	($1,224,454)	($2,443,590)

Rent			
Rental Costs	($95,433)	($96,512)	($191,946)
Imputed Fees and Expenses			
Royalty Fees	($155,813)	($110,355)	($266,168)
Brand Fund Contribution	($19,477)	($13,794)	($33,271)
Local Marketing Commitment	($24,348)	($4,727)	($29,074)
Total Imputed Fees & Expenses	($199,637)	($128,876)	($328,513)
EBITDA			
EBITDA	$495,203	($64,419)	$430,783
	(25.4 % of Gross Sales)	(-4.7% of Gross Sales)	(12.9% of Gross Sales)
EBITDAR (excludes Rental Costs)			
EBITDAR	$590,636	$32,093	$622,729
	(30.3% of Gross Sales)	(2.3% of Gross Sales)	(18.7% of Gross Sales)

Notes:

1. "*Gross Sales*" means total revenues from all sales less taxes and refunds. We did not include any revenue or expense data from the optional Summer Camp.

2. "*Labor Costs*" includes costs and expenses paid directly or indirectly to employees and costs directly associated with employment for the Academy. These costs include wages, contract labor, employee bonuses, payroll tax, employment-based insurance, and direct employee benefits.

3. "*Local Marketing*" includes actual amounts spent to market and promote the Academy. Since the actual marketing expenses incurred were less than the local marketing commitment that would have applied if the Academy was a franchised outlet, we included the differential between the local marketing commitment and actual marketing expenses incurred under "Imputed Fees and Expenses".

4. "*Operating Costs*" includes all costs incurred by the Academy other than Labor Costs, Local Marketing, Rental Costs, interest, depreciation, business income taxes, depreciation and amortization.

5. "*Rental Costs*" includes base rent only. Other facility costs such as minor maintenance or cleaning services are included in Operating Costs.

6. "*Imputed Fees and Expenses*" includes the royalty fee and brand fund contribution that would have been imposed if the Academy were a franchised outlet. The royalty fee is calculated as 8% of Gross Sales and the brand fund contribution is calculated as 1% of Gross Sales. A franchisee must spend a minimum amount equal to the local marketing commitment (monthly amount equal to greater of $200 or 2% of Gross Sales, measured over a rolling 6-month basis) on local advertising and marketing. Therefore, "*Imputed Fees and Expenses*" also includes the difference between the local marketing commitment (as applied to the Affiliate Outlet) and the actual marketing expenses incurred by the Academy (since the Affiliate Outlet spent less than 2% of Gross Sales on local marketing and advertising).

7. "*EBITDA*" is calculated as Gross Sales minus Labor Costs, Local Marketing, Operating Costs, Rental Costs and Imputed Fees and Expenses, but excluding interest, depreciation, business income taxes and amortization.

8. "*EBITDAR*" is calculated as Gross Sales minus Labor Costs, Local Marketing, Operating Costs and Imputed Fees and Expenses, but excluding Rental Costs, interest, depreciation, business income taxes and amortization. We have provided the EIBTDAR figure because it is a commonly utilized measure of performance in the industry.

9. In making the above financial performance representation, we relied on internally prepared financial statements for the Affiliate Outlet using QuickBooks accounting software. Neither we nor any independent certified public accountant has independently audited the information.

You should consult with your advisors to develop your own estimates of revenues and expenses for your Academy.

Some Seashore Academies have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Executive Officer at 1300 Bristol Street N, Suite 100, Newport Beach, California 92660 or by phone (949) 264-3195, 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	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	1	2	+1
	2021	2	3	+1
	2022	3	3	0
Total Outlets	2020	1	2	+1
	2021	2	3	+1
	2022	3	3	0

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2020 TO 2022		
State	**Year**	**Number of Transfers**
Total	2020	0
	2021	0
	2022	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2020 TO 2022								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2020 TO 2022							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
California	2020	1	1	0	0	0	2
	2021	2	1	0	0	0	3
	2022	3	0	0	0	0	3
Totals	2020	1	1	0	0	0	2
	2021	2	1	0	0	0	3
	2022	3	0	0	0	0	3

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2022			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
California	2	1	0
Total	2	1	0

Our fiscal year ends on December 31st. A list of all current franchisees is attached to this Disclosure Document as EXHIBIT "E" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2022. In addition, EXHIBIT "E" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance 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.**

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

There are no: (a) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (b) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Audited financial statements of Freedom Learning, LLC as of December 31, 2022 are attached to this Disclosure Document as EXHIBIT "F". In addition, an unaudited balance sheet as of May 31, 2023 and an unaudited income statement from January 1, 2023 through May 31, 2023 are attached to this Disclosure Document as EXHIBIT "F". Because we have not been in existence for 3 years, we cannot provide all of the financial

statements required by the FTC franchise disclosure guidelines.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Area Development Agreement
EXHIBIT "G"-1	State Addenda
EXHIBIT "G"-2	General Release

Attachments to Franchise Agreement

ATTACHMENT "B"	Form of Site Approval Notice
ATTACHMENT "C"	Lease Addendum
ATTACHMENT "D"	Franchise Owner Agreement
ATTACHMENT "E"	ACH Authorization Form
ATTACHMENT "F"	Brand Protection Agreement
ATTACHMENT "G"	Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT "I" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
320 West 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
1-866-275-2677

HAWAII
Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722
Agents for Service of Process:
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS
Illinois Attorney General
Chief, Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA
Secretary of State
Securities Division
Room E-018
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360
Agent for Service of Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Franchise Section
Consumer Protection Division
525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor
Lansing, MI 48913
(517) 335-7567

MINNESOTA
Commissioner of Commerce
Director of Registration
85 Seventh Place East, #280
St. Paul, Minnesota 55101-3165
(651) 539-1500

NEW YORK
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
Phone: (212) 416-8222
Agents for Service of Process:
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231

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

RHODE ISLAND
Department of Franchise Regulation
1511 Pontiac Avenue, John O. Pastore Complex, Bldg 69-1
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH DAKOTA
Department of Labor and Regulation
Division of Insurance Securities Regulation
124 S Euclid, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051
Agents for Service of Process:
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760
Mailing Address:
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507

WISCONSIN
Department of Financial Institutions
Division of Securities
201 W Washington Avenue, Suite 500, Madison, WI 53703
(608) 261-9555

EXHIBIT "B"

TO DISCLOSURE DOCUMENT

FRANCHISOR'S AGENT FOR SERVICE OF PROCESS

United States Corporation Agents, Inc.
1623 Central Ave Ste 18
Cheyenne, Wyoming 82001
(323) 962-8600

In states listed in EXHIBIT "A", the additional agent
for Service of Process is listed in EXHIBIT "A"

EXHIBIT "C"

TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

[See Attached]

FRANCHISE AGREEMENT

FRANCHISEE: _____
DATE: _____

TABLE OF CONTENTS

1.	DEFINITIONS	1
2.	GRANT OF FRANCHISE	1
3.	TERRITORIAL RIGHTS AND LIMITATIONS	1
4.	TERM AND RENEWAL	1
5.	TRAINING AND CONFERENCES	2
6.	OTHER FRANCHISOR ASSISTANCE	3
7.	ESTABLISHING YOUR BUSINESS	4
8.	MANAGEMENT AND STAFFING.	5
9.	FRANCHISEE AS ENTITY	6
10.	ADVERTISING & MARKETING.	6
11.	OPERATING STANDARDS.	9
12.	FRANCHISE ADVISORY COUNCIL	12
13.	FEES	13
14.	BRAND PROTECTION COVENANTS.	13
15.	YOUR OTHER RESPONSIBILITIES	15
16.	INSPECTION AND AUDIT	17
17.	INTELLECTUAL PROPERTY	17
18.	INDEMNITY	18
19.	TRANSFERS	19
20.	TERMINATION	21
21.	POST-TERM OBLIGATIONS.	22
22.	DISPUTE RESOLUTION	24
23.	YOUR REPRESENTATIONS	25
24.	GENERAL PROVISIONS	25

ATTACHMENTS

ATTACHMENT "A"	Deal Terms
ATTACHMENT "B"	Form of Site Approval Notice
ATTACHMENT "C"	Lease Addendum
ATTACHMENT "D"	Franchise Owner Agreement
ATTACHMENT "E"	ACH Authorization Form
ATTACHMENT "F"	Brand Protection Agreement
ATTACHMENT "G"	Confidentiality Agreement
ATTACHMENT "H"	Definitions

SEASHORE ACADEMY FRANCHISE AGREEMENT

This Seashore Academy Franchise Agreement (this "Agreement") is entered into as of _____, 202__ (the "Effective Date") between Freedom Learning, LLC, a Wyoming limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms used in this Agreement are defined either in the body of this Agreement or in ATTACHMENT "H". For capitalized terms that are defined in the body of this Agreement, ATTACHMENT "H" lists the Sections of this Agreement in which such terms are defined.

2. GRANT OF FRANCHISE. We hereby grant you a license to own and operate a Seashore Academy education business (your "Business" or your "Academy") using our Intellectual Property from a single location that we approve. As a franchisee, you will establish and operate a supplemental education business that integrates custom schooling, adaptive learning and an academically intensive curriculum for families seeking a structured, high-quality academic alternative to homeschooling. For purposes of this Agreement, an "Academy" refers to any Academy operated by us, our affiliates, you or other franchisees. We reserve all rights not expressly granted to you.

3. TERRITORIAL RIGHTS AND LIMITATIONS. We will grant you a territory (your "Territory") that will include a minimum of 35,000 Qualifying Children, as determined using our territory mapping software "Geostrategies". A "Qualifying Child" is any child that: (a) is 18 years of age or younger; and (b) lives in a household with annual income of $150,000 or more. Most territories include between 35,000 and 45,000 Qualifying Children. If we approve the site for your Academy prior to execution of this Agreement, then Part D of ATTACHMENT "A" shall identify the geographic area that comprises your Territory. If we do not approve the site for your Academy prior to execution of this Agreement, then within 15 days after we approve the site for your Academy, we will send you a written notice (the "Site Approval Notice") that will identify: (a) the approved location for your Academy; and (b) the geographic area that comprises your Territory, as determined by us in our sole discretion. Your Territory will be exclusive. By exclusive, we mean that we will not develop or operate, or grant a franchise or license to a third party to develop or operate, an Academy that is physically located within your Territory during the Term. We reserve the right to sell, or grant franchises or licenses to third parties to sell, competitive or identical goods or services (including under the Marks) through Alternative Channels of Distribution, irrespective of whether the sales take place in your Territory.

4. TERM AND RENEWAL.

4.1. Generally. The term of this Agreement begins on the Effective Date and expires 10 years thereafter (the "Term"). If this Agreement is the initial franchise agreement for your Academy, you may enter into one (1) successor franchise agreement (a "Successor Agreement") as long as you meet the conditions for renewal specified below. The Successor Agreement shall be the current form of franchise agreement that we use in granting franchises as of the expiration of the Term. The terms and conditions of the Successor Agreement may vary materially and substantially from the terms and conditions of this Agreement. Upon renewal, we also reserve the right to modify the boundaries of your Territory in accordance with our then-current territory guidelines and criteria. The renewal term will be 10 years, for a maximum total term of 20 years. You have no further right to operate your Academy following the expiration of the renewal term unless we grant you another franchise or further renewal in our sole discretion. If this Agreement is a Successor Agreement, the renewal provisions in your original franchise agreement will dictate the length of the Term of this Agreement as well as your remaining renewal rights, if any.

4.2. Renewal Requirements. In order to enter into a Successor Agreement, you and the Owners (as applicable) must:

(i) notify us in writing of your desire to enter into a Successor Agreement not less than 120 days nor more than 180 days before the expiration of the Term;

(ii) not be in default under this Agreement or any other agreement with us or any affiliate of ours

at the time you send the renewal notice or the time you sign the Successor Agreement;

(iii) sign the Successor Agreement and all ancillary documents we require franchisees to sign;

(iv) sign a General Release;

(v) pay us a $5,000 renewal fee;

(vi) remodel and renovate your facility and upgrade your furniture, fixtures and equipment to comply with our then-current standards and specifications;

(vii) extend the term of your lease for the duration of the renewal term.

If we elect not to renew or offer you the right to renew, we will send you a written notice of non-renewal at least 180 days prior to the expiration date, which shall set forth the basis for our decision not to renew or offer you the right to renew. Our failure to send you a notice of non-renewal at least 180 days prior to the expiration date shall constitute our offer to renew your franchise in accordance with, and subject to, the renewal terms and conditions set forth above. If you have any objections to our notice of non-renewal, including any dispute as to the basis for our decision not to renew, you must send us a written notice of objection that sets forth the basis for your objections. Your notice of objection must be sent to us no later than 30 days after you receive our notice of non-renewal. Your failure to send us a written notice of objection during such 30-day period shall constitute your agreement to the non-renewal of your franchise.

4.3. Interim Term. If you do not sign a Successor Agreement after the expiration of the Term and you continue to accept the benefits of this Agreement, then at our option, this Agreement may be treated either as: (a) expired as of the date of the expiration with you then operating without a franchise to do so and in violation of our rights; or (b) continued on a month-to-month basis (the "Interim Term") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon the expiration or termination of this Agreement will be deemed to take effect upon the termination of the Interim Term.

Except as otherwise permitted by this Section 4, you have no right to continue to operate your Business following the expiration of the Term.

5. TRAINING AND CONFERENCES

5.1. Initial Training Program. The Managing Owner and your initial management personnel must attend and successfully complete our initial training program before your Academy opens.

5.2. Initial Training For New Owners/Managers. If you hire a new manager or appoint a new Managing Owner after we conduct our pre-opening initial training program, the new manager or Managing Owner, as applicable, must attend and successfully complete our then-current initial training program.

5.3. Periodic Training. We may offer periodic refresher or additional training courses for your Managing Owner and management personnel. Attendance at these training programs is mandatory.

5.4. Additional Training Upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time.

5.5. Remedial Training. If we determine that you are not operating your Academy in full compliance with this Agreement and/or the Manual, we may, at our option, require that your Managing Owner and management personnel attend remedial training relevant to your operational deficiencies.

5.6. Conferences. We may hold periodic national or regional conferences to discuss various business issues and operational and general business concerns affecting Seashore Academies. Attendance at

these conferences is mandatory.

5.7. **Training Fees and Expenses.** We will provide our pre-opening initial training program in exchange for the $1,500 initial training fee. You must pay us a training fee of up to $450 per person per day for:

(i) each person that attends our initial training program after you open your Business (such as a new Managing Owner or manager);

(ii) any person who retakes training after failing on a prior attempt;

(iii) any remedial training we require based on your operational deficiencies;

(iv) each person to whom we provide additional training that you request;

(v) each person who attends any system-wide or additional training we conduct; and

(vi) any special assistance you request beyond what we must provide under this Agreement.

If we agree to provide onsite training or assistance, you must also reimburse us for all costs incurred by our representative for meals, travel and lodging. We may charge you a conference registration fee of up to $750 per person per conference. You must pay us the conference registration fee even if you fail to attend, although we may waive the fee if you demonstrate good cause for your inability to attend. You are responsible for all expenses and costs your trainees incur for training or attending conferences, including wages, travel and living expenses. All fees and expense reimbursements are due 10 days after invoicing, except the initial training fee is due upon execution of this Agreement.

6. OTHER FRANCHISOR ASSISTANCE.

6.1. **Manual.** During the Term, we will provide you with online access to our confidential Brand Standards Manual (the "Manual"). The Manual will help you establish and operate your Academy. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

6.2. **Seashore Student Management Platform.** We will sublicense to you the right to utilize the Seashore Student Management Platform. You must utilize this technology platform in the manner we specify in the Manual. You must pay us an annual fee of $22 for each student that enrolls at your Academy, which covers access to the Seashore Student Management Platform and help offset our costs to develop and host a microsite dedicated to your Academy. This fee will be included as part of the technology fee referenced in Section 11.9.

6.3. **General Guidance.** Based upon periodic inspections of your Academy or reports you submit to us, we will provide our guidance and recommendations on ways to improve the marketing and/or operation of your Business. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by telephone, e-mail or similar methods of communication.

6.4. **Field Visits**. We have the right, but not the obligation, to conduct periodic field visits for purposes of providing onsite consultation, assistance and guidance pertaining to the operation and management of your Academy. We may prepare and provide you with a report detailing any problems or concerns observed during the field visit together with required or suggested changes or improvements to address or resolve such problems or concerns. You must implement all required changes or improvements in the time and manner we specify.

6.5. **Marketing Assistance.** As further described in Section 10.1 and Section 10.2, we will administer the brand and system development fund and provide you with other marketing assistance during the Term.

6.6. **Website.** We will maintain a corporate website for our brand. We will also develop and host a local microsite for your Academy that will be linked to our corporate website. The microsite will include information about your Academy that we deem appropriate. We must approve all content on your microsite, but we will consider your suggestions in good faith. We will own the website (including your microsite) and domain name at all times. We may modify the content of and/or discontinue the website (including your microsite) at any time in our sole discretion

6.7. **Email Addresses**. We may, but need not, provide you with one or more Seashore Academy email addresses for use with your Business. You must exclusively use the email address or addresses that we provide for all communications with us, parents, suppliers and other persons relating to your Business. We may charge you all costs we incur to host your email address(es) (these costs would be added to your technology fee described in Section 11.9). You may not use any email address we provide for any purpose unrelated to your Business. We will own the email addresses and accounts but allow you to use them during the Term.

6.8. **Purchase Agreements.** We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and our franchisees. If we succeed in negotiating a purchase agreement, we will arrange for you to be able to purchase the goods directly from the supplier at the discounted prices that we negotiate (subject to any rebates the supplier pays to us). We may also purchase certain items from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup. We may also host an online store through which you must purchase various goods or services that we specify.

7. ESTABLISHING YOUR BUSINESS

7.1. **Site Selection**. You must locate and obtain our approval of the site for your Academy within 120 days after the Effective Date. The premises must be located within the Site Selection Area identified in Part B of ATTACHMENT "A" (the "Site Selection Area") and must conform to our minimum site selection criteria. You must send us a complete site report for your proposed site, containing all demographic, commercial and other information, photographs and video tapes we reasonably require. We have the right to accept or reject all proposed sites in our commercially reasonable judgment. We will notify you of our decision within 30 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 30-day period. If we approve the site for your Academy prior to execution of this Agreement, then the address of the approved site will be listed in Part C of ATTACHMENT "A". If we do not approve the site for your Academy prior to execution of this Agreement, then within 15 days after we approve your site, we will send you the Site Approval Notice that will identify: (a) the address of your approved site; and (b) the geographic area that comprises your Territory, as determined by us in our sole discretion. Within five (5) business days after we send you the Site Approval Notice, you must sign and date the franchisee acknowledgment section of the Site Approval Notice and send us a copy for our records. Our approval of the site and designation of your Territory in the Site Approval Notice shall be deemed immediately effective and binding on you at the time we issue such notice, regardless of whether you sign and/or send us the signed acknowledgement. You understand that our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for an Academy. Our approval of the site indicates only that we believe the site meets our minimum criteria.

7.2. **Lease**. If you lease the premises for your Academy, you must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to this Agreement as ATTACHMENT "C". If your landlord refuses to sign the Lease Addendum in substantially the form attached to this Agreement we may either: (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord); or (b) require that you find a new site for your Academy. You must promptly send us a copy of your fully executed lease and Lease Addendum for our records.

7.3. **Construction.** The Manual includes our standards and specifications pertaining to the design, layout, equipping and trade dress for a Seashore Academy. You must, at your expense, complete all

renovations and upgrades to the facility to comply with our standards and specifications. You must also make all modifications and upgrades to your facility required by applicable law. You must purchase (or lease) and install all computer systems, furniture, fixtures, equipment, signs and other items we require.

7.4. **Opening**. You must open your Academy to the public within 180 days after the Effective Date. You may not open your Academy prior to receipt of a written authorization to open issued by us. We will not issue an authorization to open before:

(i) the Managing Owner successfully completes initial training to our satisfaction;

(ii) you purchase all required insurance and furnish us with evidence of coverage;

(iii) you obtain all required licenses, permits and other governmental approvals;

(iv) you hire and train the teachers and staff members necessary to operate your Academy; and

(v) we review and approve the buildout and layout of your Academy.

You must send us a written notice identifying your proposed opening date at least 30 days before opening. We may conduct a pre-opening inspection of your Academy and you agree to make any changes we require before opening. BY VIRTUE OF OPENING YOUR BUSINESS, YOU ACKNOWLEDGE THAT WE HAVE FULFILLED ALL OF OUR PRE-OPENING OBLIGATIONS TO YOU.

7.5. **Relocation.** You may relocate your Academy with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you must: (a) locate your new Academy within the Site Selection Area (but outside any territory granted to us, our affiliate or any other franchisee); (b) comply with Sections 7.1 through Section 7.4 of this Agreement with respect to your new Academy (excluding the 180-day opening period); (c) pay us a $7,500 relocation fee at the time we approve your relocation request; and (d) open your new Academy and resume operations within 30 days after closing your prior location.

8. MANAGEMENT AND STAFFING.

8.1. **Owner Participation.** You must designate an Owner who will have overall responsibility for the management and operation of your Academy (the "Managing Owner"). The Managing Owner must: (a) be approved by us; (b) successfully complete all training programs we require; (c) dedicate full-time efforts to the Business; and (d) at all times hold at least a 10% ownership interest in the franchise (or the entity that is the franchisee under this Agreement) unless we waive this requirement. Any new Managing Owner you appoint must successfully complete our then-current initial training program before becoming involved with the supervision, management or operation of the Business.

8.2. **Managers.** You may hire a designated manager to assist the Managing Owner with the onsite management and supervision of your Academy. Any person you hire as a designated manager must: (a) be approved by us; (b) successfully complete all training programs we require; (c) dedicate full-time efforts to the onsite management and supervision of your Academy; and (d) sign a Brand Protection Agreement. At all times during normal business hours, either the Managing Owner or the designated manager must be present at your Academy to provide onsite management and supervision. You may also hire assistant managers who would report to the Managing Owner or your designated manager. The Managing Owner must monitor and supervise the activities of the designated manager to ensure the Academy is operated in accordance with this Agreement and the Manual.

8.3. **Employees.** You must determine appropriate staffing levels for your Academy to ensure full compliance with this Agreement and our system standards. You may hire, train and supervise employees to assist you with the proper operation of the Academy. You must pay all wages,

commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) due for your employees. These employees will be employees of yours and not of ours. We do not control the day to day activities of your employees or the manner in which they perform their assigned tasks. You must inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, paychecks, employment agreements, timecards, and similar items. We also do not control the hiring or firing of your employees. You have sole responsibility and authority for all employment related decisions, including employee selection and promotion, hours worked, rates of pay and other benefits, work assignments, training and working conditions. We will not provide you any advice or guidance on these matters. You must require that your employees review and sign the acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer. You must also post a conspicuous notice for employees in the back-of-the-house area explaining your franchise relationship with us and that you (and not we) are the employee's sole employer. We may prescribe the form and content of this notice.

8.4. Interim Manager. We have the right, but not the obligation, to designate an individual of our choosing (an "Interim Manager") to manage your Academy if either: (a) your Managing Owner ceases to perform the responsibilities of a Managing Owner (whether due to retirement, death, disability, or for any other reason) and you fail to appoint an approved replacement Managing Owner, who has successfully completed all training we require, within 30 days; or (b) you are in material breach. The Interim Manager will cease to manage your Academy at such time that you appoint an approved replacement Managing Owner who has completed training or you cure the material breach, as applicable. If we appoint an Interim Manager, you agree to pay us a management fee equal to $500 per day during the period of time that the Interim Manager manages your Academy. You must also reimburse us for all travel and living expenses incurred by the Interim Manager. The Interim Manager will have no liability to you except for gross negligence or willful misconduct. We will have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager.

9. FRANCHISEE AS ENTITY. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon our request, you must provide us with a resolution of the Entity authorizing the execution of this Agreement, a copy of the Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). You represent that the Entity is duly formed and validly existing under the laws of the state of its formation. All Owners (whether direct or indirect) and their spouses must sign the Franchise Owner Agreement attached to this Agreement as ATTACHMENT "D".

10. ADVERTISING & MARKETING.

10.1. Brand and System Development Fund.

(a) Administration. We will establish and administer a brand and system development fund to promote public awareness of our brand and improve our System. We may use the fund to pay for any of the following in our sole discretion:

(i) developing, maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs;

(ii) conducting and administering promotions, contests or giveaways;

(iii) improving public awareness of the Marks;

(iv) public and consumer relations and publicity;

(v) brand development;

(vi) sponsorships;

(vii) charitable and non-profit donations and events;

(viii) research and development of technology, products and services;

(ix) website development and search engine optimization;

(x) development of an ecommerce platform;

(xi) development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys;

(xii) conducting market research;

(xiii) changes and improvements to the System;

(xiv) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts;

(xv) collecting and accounting for contributions to the fund;

(xvi) preparing and distributing financial accountings of the fund;

(xvii) any other programs or activities that we deem necessary or appropriate to promote or improve the System; and

(xviii) direct or indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities, including salary, benefits and other compensation of any of our (and any of our affiliate's) officers, directors, employees or independent contractors based upon time spent working on any brand fund matters described above.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to any of the foregoing marketing or advertising activities. Any surplus of monies in the fund may be invested and we may lend money to the fund if there is a deficit. The fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the fund. A financial accounting of the operations of the fund, including deposits into and disbursements from the fund, will be prepared annually and made available to you upon request. In terms of marketing activities paid for by the fund, we do not ensure that these expenditures in or affecting any geographic area are proportionate or equivalent to the fund contributions by franchisees operating in that geographic area or that any franchisee benefits directly or in proportion to their fund contributions. Once established, we reserve the right to discontinue the fund at any time in our sole discretion upon at least 30 days' prior notice.

(b) Contributions. On the 5th day of each month, you must pay us a brand and system development fund fee in the amount we specify (not to exceed 2% of Gross Sales). We will provide at least 30 days' prior notice of any change to the brand fund contribution. We will deposit into the fund all: (a) fund contributions paid by you and other franchisees; and (b) fines paid by you and other franchisees.

10.2. Marketing Assistance From Us. We may create and make available to you advertising and other marketing materials for your purchase. We may use the brand and system development fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may make these materials available over the Internet, in which case you must arrange for printing the materials and paying all printing costs. Alternatively, we may enter into relationships with third-party suppliers who will create the advertising or marketing materials for your purchase. We will provide reasonable marketing consulting, guidance and support throughout the Term on an

as-needed basis.

10.3. Your Marketing Activities.

(a) Generally. In addition to your required contribution to the brand fund, you must spend, on a monthly basis, an amount equal to the greater of: (i) $200 per month; or (ii) 2% of your monthly Gross Sales (your "Local Marketing Commitment"). We will measure your compliance on a rolling six-month basis, meaning as long as your average monthly expenditure on local advertising over the six-month period equals or exceeds your Local Marketing Commitment, you will be deemed in compliance even if your expenditure in any given month is less than your Local Marketing Commitment. We may reduce or waive your Local Marketing Commitment at any time that student enrollment at your Academy is equal to or greater than 90% of your maximum enrollment capacity. You agree to participate at your own expense in all advertising, promotional and marketing programs that we require.

(b) Standards for Advertising. All advertisements and promotions that you create or use must be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others. You must comply with any minimum advertised pricing policy that we establish from time to time. You must follow any policies that we establish from time to time governing a franchisee's right to engage in marketing or advertising outside of the franchisee's territory.

(c) Approval of Advertising. Prior to use, we must approve all advertising and promotional materials that we did not prepare or previously approve (including materials we prepared or approved and you modify). We will be deemed to have disapproved of the materials if we fail to issue our approval within 15 days after receipt. You may not use any materials we disapprove (including materials we previously approved and later disapprove).

(d) Social Media. You may advertise and market your Academy using social media, provided that:

(i) you only utilize the social media platforms we approve;

(ii) you strictly comply with our social media policy;

(iii) you immediately remove any post we disapprove (even if it complies with our social media policy);

(iv) you utilize any supplier we designate for social media marketing services; and

(v) we will own the social media account but allow you to use it during the Term.

(e) Internet and Websites. Without our prior approval, which we may withhold in our sole discretion, you may not:

(i) develop, host, create or otherwise maintain a website or other online or digital presence in connection with your Academy (other than the microsite we provide), including any website bearing our Marks;

(ii) conduct digital or online advertising or marketing; or

(iii) engage in ecommerce.

If we grant our approval to maintain a website, you may do so provided that:

(i) you obtain our approval of: (a) the website's domain name (which we will own); (b) the website's design, layout and webpages; (c) all designs, artwork, graphics and images displayed on the website; (d) all content on the website (and all changes to the content); and (e) all uses and manner of display of our Marks;

(ii) your website conforms to all of our standards, specifications, policies, procedures and other requirements for websites, whether set forth in the Manual or otherwise;

(iii) your website does not include any material in which a third party has any direct or indirect ownership interest (including, without limitation, video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image in which a third party may claim intellectual property rights);

(iv) you establish and implement a privacy policy that complies with applicable law; and

(v) you include on your website, in the manner we require, all hyperlinks or other links that we require.

You will be solely responsible for all costs associated with the development, hosting and maintenance of the website. However, we will be the exclusive owner of the website and all of its content. We will also be the exclusive owner of the website's domain name and associated URL.

11. OPERATING STANDARDS.

11.1. **Generally.** You agree to operate your Academy: (a) in a manner that will promote the goodwill of the Marks; and (b) in full compliance with our standards and all other terms of this Agreement and the Manual.

11.2. **Brand Standards Manual**. You agree to establish and operate your Academy in accordance with the Manual. The Manual may contain, among other things:

(i) a description of the authorized goods and services you may offer and sell;

(ii) a description of classes and programs you may offer, including the associated curriculum;

(iii) the form of enrollment agreement you must use to enroll students at your Academy;

(iv) specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Academies;

(v) reporting and insurance requirements;

(vi) specifications for a Seashore Academy facility;

(vii) policies and procedures pertaining to marketing and advertising;

(viii) policies and procedures pertaining to gift card programs;

(ix) policies relating to data ownership, protection, sharing and use; and

(x) a list of (a) the goods and services (or specifications for goods and services) you must purchase to develop and operate your Academy and (b) any designated or approved suppliers for these goods or services.

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. We can modify the Manual at any time. The modifications will become binding at the time we notify you of the modification (subject to any "grace period" we provide to implement the change). All mandatory provisions contained in the Manual (whether they are included now or in the future) are binding on you.

11.3. **Authorized Goods and Services.** You must offer all goods and services we require, including core classes as well as electives and enrichment programs. We may give you the option, but not the obligation, to offer certain designated programs (such as Summer Camp or tutoring). Or we may make these programs mandatory. You must only utilize the academic curriculum and educational materials we provide or otherwise approve. You may not offer or conduct any classes, camps or

programs or sell any goods or services that we have not approved. You may not offer any enrollment options we have not approved. You may not exceed any maximum teacher to student ratio we specify. Your class size may not exceed any maximum class size we specify. All classes, camps and programs must be conducted and held at your Academy. However, we may allow you to conduct exhibits, promotional events or similar activities from off-site locations within your Territory or within areas outside your Territory that are not assigned to us or another franchisee. At any time, we may change the goods and services you offer and sell and you must comply with any such change.

11.4. **Enrollment Agreement**. You must exclusively use the form of enrollment agreement we specify for purposes of enrolling students in your Academy. We strongly recommend you hire an attorney to review our form of enrollment agreement and advise you of any modifications that may be necessary to comply with local law. You agree to notify us in writing of any such changes recommended by your attorney, which we will consider in good faith. You may not make any changes to our form of enrollment agreement without our prior written approval.

11.5. **Customer Payments.** You must, at your expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and all other credit card issuers we designate, in order for you to be able to accept such methods of payment from customers. You must accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, APPLE PAY and/or GOOGLE WALLET) that we specify. You must acquire and install all necessary hardware and/or software used in connection with these non-cash systems.

11.6. **Pricing**. We will provide you with our suggested retail pricing. You may deviate from our suggested retail pricing at your discretion. However, to the extent permitted by applicable law, we may set maximum or minimum prices on the goods and services you offer.

11.7. **Suppliers and Purchasing.** You agree to purchase or lease all products, supplies, equipment, services and other items specified in the Manual from time to time. If required by the Manual, you agree to purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate). You acknowledge that our right to specify the suppliers that you may use is necessary and desirable so that we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and ongoing operation of Academies, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these suppliers based upon franchisee purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. If you want us to approve a supplier that you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information that we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) we require. You must reimburse us for all costs and expenses we incur in reviewing a proposed supplier within 10 days after invoicing.

11.8. **Equipment Maintenance and Changes.** You agree to maintain all of your equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you change your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System and you agree to comply with any such required change within the time period that we reasonably prescribe.

11.9. **Technology Systems.**

(a) Generally. You must acquire and utilize all information and communication technology systems that we specify from time to time, including, without limitation, computer systems,

point-of-sale system, webcam systems, telecommunications systems, security systems, and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems (collectively referred to as the "Technology Systems"). The Technology Systems may relate to matters such as purchasing, pricing, accounting, order entry, inventory control, security, information storage, retrieval and transmission, customer information, customer loyalty, marketing, communications, copying, printing and scanning, or any other business purpose that we deem appropriate. We may require that you, at your expense, acquire new or substitute Technology Systems, and/or replace, upgrade or update existing Technology Systems, upon reasonable prior notice.

(b) Use and Access. You must utilize your Technology Systems in accordance with the Manual. You may not load or permit any unauthorized programs or games on your Technology Systems. You must ensure that your employees are adequately trained in the use of the Technology Systems. You agree to take all steps necessary to enable us to have independent and unlimited access to the operational data collected through your Technology Systems, including information regarding your Gross Sales for purposes of calculating fees owed. Upon our request, you agree to provide us with the user IDs and passwords for your Technology Systems, including upon termination or expiration of this Agreement.

(c) Disruptions. You are solely responsible for protecting against computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Upon our request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

(d) Fees and Costs. You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading the Technology Systems. Certain components of the Technology Systems must be purchased or licensed from third-party suppliers. We and/or our affiliate may develop proprietary software, technology or other components of the Technology Systems that will become part of our System. If this occurs: (i) you agree to pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon our request, you agree to enter into a license agreement with us (or our affiliate) in a form that we prescribe governing your use of the proprietary software, technology or other component of the Technology Systems. We also reserve the right to enter into master agreements with third-party suppliers relating to any components of the Technology Systems and then charge you for all amounts we pay to these suppliers based on your use of the software, technology, equipment, or services provided by the suppliers. The "technology fee" includes all amounts you pay us and/or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the technology fee may change based on changes to the Technology Systems or the prices charged by third-party suppliers with whom we enter into master agreements. The technology fee does not include any amounts that you pay directly to third-party suppliers for any component of the Technology Systems. The technology fee is due 10 days after invoicing or as otherwise specified by us from time to time.

11.10. Remodeling and Maintenance. You agree to remodel and make all improvements and alterations to your Academy's facility that we reasonably require from time to time to reflect our then-current standards and specifications. We will not require that you spend more than $30,000 on remodeling during any 10-year period. However, there is no limitation on the cost of any remodeling we require as a condition to you renewing or transferring your franchise. You may not remodel or significantly alter your premises without our prior written approval, which will not be unreasonably

withheld. However we need not approve any proposed remodeling or alteration if the same would not conform to our then-current standards and specifications. You agree to maintain your Academy in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations, at your sole expense, to comply with our standards and specifications. Without limiting the generality of the foregoing, you agree to take the following actions at your sole expense: (a) thorough cleaning, repainting, redecorating of the interior and exterior of the Academy's premises at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (b) interior and exterior repair of the Academy's premises as needed. You agree to comply with any maintenance, cleaning or facility upkeep schedule that we prescribe from time to time.

11.11. Gift Card Programs. We may require that you participate in a gift card program in accordance with our policies and procedures. In order to participate, you may be required to purchase and utilize additional equipment, software and/or Apps and pay fees relating to the use of that equipment, software and/or Apps. If we establish a gift card program, we have the right to determine how the proceeds from the sale of gift cards will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards. You agree to comply with all policies and procedures that we specify from time to time relating to customers who purchase a gift card at one Academy and redeem products or services from one or more other Academies. We may implement new software and/or Apps to monitor sales and allocate payments to the Academy where goods or services are redeemed (either in whole or on a percentage basis), in which case we may require that the proceeds from gift card sales be deposited into a trust account we control. You may not sell any gift cards or gift certificates other than those designated or approved by us. You agree to comply with all policies and procedures that we specify and we may modify these policies and procedures at any time.

11.12. Hours of Operation. Your Academy must be open during the minimum days and hours of operation we specify in the Manual from time to time. You must establish specific hours of operation and submit those hours to us for approval. You may not change your hours of operation without obtaining our prior approval.

11.13. Customer Complaints. If you receive a complaint from a student or the family of a student, you must follow the complaint resolution process that we specify to protect the goodwill associated with the Marks.

11.14. Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If we notify you of a failure to comply with our standards or operating procedures (including, without limitation, failure to provide required reports in a timely manner) and you fail to correct the non-compliance within the period of time that we require, then, in addition to any other remedies available to us under this Agreement, we may impose a fine of up to $500 per occurrence. We may impose an additional fine for every 48 hours that the same non-compliance issue remains uncured following our imposition of the initial fine.

12. FRANCHISE ADVISORY COUNCIL. We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. We will consider all suggestions from the advisory council in good faith, but we are not bound by any such suggestions. The council will be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of representatives who will communicate with us on matters raised by the council. You will have the right to be a member of the council as long as you are not in default under this Agreement and you do not act in a disruptive, abusive or counter-productive manner, as determined by us in our discretion. As a member, you will be entitled to all voting rights and privileges granted to other members of the council. Each member will be granted one vote on all matters on which members are authorized to vote.

13. FEES

13.1. Initial Franchise Fee. You agree to pay us a $55,000 initial franchise fee in one lump sum at the time you sign this Agreement (or, if applicable, any discounted initial franchise fee specified in an area development agreement signed by you and us). The initial franchise fee is fully earned by us and non-refundable once this Agreement has been signed.

13.2. Royalty Fee. On the 5th day of each month, you agree to pay us a royalty fee equal to 8% of your Gross Sales generated during the prior month.

13.3. Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in this Section 13. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).

13.4. Late Fee. If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those sums, you must pay us default interest on the amounts past due at a rate equal to the lesser of 18% per annum (pro-rated on a daily basis), or the highest rate permitted by your State's law. If no due date has been specified by us, then interest begins to run 10 days after we bill you. We will not impose a late fee for any amounts paid pursuant to Section 13.5 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payments at the time the payments became due and payable. However, we may impose a late fee for any amounts that we are unable to reasonably determine due to your failure to furnish us with a report required by Section 15.3 within the required period of time or record sales in a timely manner, in which case we may assess a late fee on the entire amount that was due and payable. This Section 13.4 shall not constitute our agreement to accept payments after their due date or to extend credit to you.

13.5. Method of Payment. Before opening you must send us a completed and fully executed ACH Agreement. We will electronically debit the banking account that you designate (the "Account") for all amounts owed to us and our affiliates (other than the initial franchise fee) on the applicable due date. You must sign any other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all revenues that you generate into the Account and ensure sufficient funds are available for withdrawal before each payment due date. If there are insufficient funds in your Account, any excess amounts that you owe will be payable upon demand, together with any late charge imposed pursuant to Section 13.4. We may also impose a $75 NSF fee for each instance where either (a) there are insufficient funds in your Account to cover amounts owed or (b) a check you issue to us is returned due to insufficient funds.

14. BRAND PROTECTION COVENANTS.

14.1. Reason for Covenants. You acknowledge that the Intellectual Property and the training and assistance that we provide would not be acquired except through implementation of this Agreement. You also acknowledge that competition by you, the Owners or persons associated with you or the Owners (including family members) could seriously jeopardize the entire franchise system because you and the Owners have received an advantage through knowledge of our day-to-day operations and Know-how related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our franchise system.

14.2. Our Know-how. You and the Owners agree to:

(i) refrain from using the Know-how in any business or capacity other than the operation of your Academy pursuant to this Agreement;

(ii) maintain the confidentiality of the Know-how at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of Know-how;

(iv) refrain from making unauthorized copies of documents containing any Know-how; and

(v) stop using the Know-how immediately upon the expiration, termination or Transfer of this Agreement (and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement must stop using the Know-how immediately at the time he or she ceases to be an Owner).

14.3. **Unfair Competition During Term**. You and your Owners agree not to unfairly compete with us during the Term by engaging in any of the following activities ("Prohibited Activities"): (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in any Competitive Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business; (b) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (c) inducing any student enrolled in an Academy, or inducing the family of any student enrolled in an Academy, to transfer their business to a competitor.

14.4. **Unfair Competition After Term**. You and your Owners agree not to engage in any Prohibited Activities during the Post-Term Restricted Period, other than having an interest in a Competitive Business that is not located within the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business permitted by this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

14.5. **Family Members**. The Owners acknowledge they could circumvent the purpose of Section 14 by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). The Owners also acknowledge it would be difficult for us to prove whether they disclosed the Know-how to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 14 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses the Know-how. However, the Owner may rebut this presumption by furnishing evidence conclusively showing the Owner did not disclose Know-how to the family member.

14.6. **Employees and Others Associated with You.** You must ensure that all of your employees, officers, directors, partners, members, independent contractors and other persons associated with you or your Business who may have access to our Know-how, and who are not required to sign a Brand Protection Agreement, sign and send us a Confidentiality Agreement before having access to our Know-how. You must use your best efforts to ensure that these individuals comply with the terms of the Brand Protection Agreements and Confidentiality Agreements, as applicable, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses we incur in enforcing a Brand Protection Agreement or Confidentiality Agreement, as applicable, including reasonable attorneys' fees and court costs.

14.7. **Covenants Reasonable.** You and the Owners acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; (b) our use and enforcement of covenants similar to those described above with respect to other franchisees benefits you and the Owners in that it prevents others from unfairly competing with your Academy; and (c) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU AND THE OWNERS HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SECTION 14 AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

14.8. **Breach of Covenants**. You and the Owners agree that failure to comply with the terms of this Section 14 is likely to cause substantial and irreparable damage to us and/or our other franchisees

for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section 14 will entitle us to injunctive relief. We may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law, and your sole remedy in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 14.

15. YOUR OTHER RESPONSIBILITIES

15.1. Insurance. For your protection and ours, you agree to purchase and maintain the following insurance policies:

Policy Type	Minimum Coverage
"All risk" Property Insurance	Replacement Value
Comprehensive General Liability Insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate
Professional Liability Insurance	$1,000,000 per occurrence and $1,000,000 in the aggregate
Automobile Liability Insurance	$1,000,000 per occurrence and $1,000,000 in the aggregate
Sexual Abuse/Molestation Insurance	$25,000 per occurrence and $50,000 in the aggregate
Commercial Umbrella Insurance (only required if you transport students)	$5,000,000 per occurrence and $5,000,000 in the aggregate
Business Interruption Insurance	At least 12 months
Employer's Liability Insurance	$1,000,000 per occurrence
Worker's Compensation Insurance	As required by law
Landlord-Required Insurance	As required by lease

The details regarding the required insurance policies are set forth in the Manual. You agree to provide us with proof of coverage prior to opening, within 10 days of any renewal of a policy, and at any other time on demand. You agree to obtain these insurance policies from insurance carriers rated "A+" by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which your Academy is located. All insurance policies must endorsed to: (a) name us (and our members, officers, directors, and employees) as additional insureds; (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet this criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon 10 days' notice to you, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur.

15.2. Books and Records. You must prepare complete and accurate books, records, accounts and tax

returns pertaining to your Business and keep copies for at least five (5) years after their preparation. You must maintain, and upon our request furnish to us by email or mail a written list of all of your students and their parents. You must send us copies of your books and records within seven (7) days of our request.

15.3. Reports. No later than the 5th day of each month, you must prepare and provide to us monthly statements of: (a) your Gross Sales and expenses for the prior month's operations; and (b) your expenditures on local advertising required by Section 10.3 incurred during the prior month (which shall be accompanied by copies of receipts for such expenditures). You also agree to prepare all other reports we require in the form and manner we specify. You agree to send us a copy of any report required by this Section upon request. If you miscalculate Gross Sales, you must notify us of the error no later than the end of the next Gross Sales reporting period. Otherwise, you will not be entitled to any refund or credit of any fees paid to us based upon the Gross Sales previously reported. If we require that you purchase a computer and/or automated cash management system that allows us to electronically retrieve information concerning your sales transactions, we will have the right to electronically poll your computer and/or automated cash management system to retrieve and compile information regarding the operation of your Business.

15.4. Financial Statements. Within 90 days after the end of each calendar year, you must prepare a balance sheet for your Business (as of the end of the calendar year) and an annual statement of profit and loss and source and application of funds. All financial statements must be: (a) verified and signed by you certifying to us that the information is true, complete, and accurate; (b) prepared on an accrual basis in compliance with Generally Accepted Accounting Principles; and (c) submitted in any format that we reasonably require. We may require that your financial statements be reviewed or audited by a certified public accountant, although we will not require audited financial statements unless you have previously submitted materially inaccurate financial statements on one or more prior occasions. You agree to send us a copy of any financial statement required by this Section upon request. You authorize us to disclose the financial statements, reports, and operating data to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

15.5. Legal Compliance. You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Academy and operate your Academy in full compliance with all applicable laws, ordinances, rules and regulations. You must comply with all applicable child protection laws, including conducting background and criminal records checks on all of your staff members who may interact with children and reporting evidence of child abuse or neglect to the proper authorities. You must notify us in writing within two (2) business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Academy or your financial condition. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.

15.6. Ownership and Protection of Data. We are the exclusive owner of all data collected pertaining to your students and their families and the operation of your Academy. We hereby grant you a license to utilize such data solely for purposes of operating your Academy in compliance with this Agreement. You must protect all personal data with a level of control proportionate to the sensitivity of data. You must adhere to applicable privacy laws with respect to data, which if compromised, could have a negative impact on our image or consumer confidence. You agree: (a) to comply with all applicable data protection laws as well as our data processing and data privacy policies as set forth in the Manual from time to time; and (b) upon our request, to sign any data processing and/or data privacy agreement required by any applicable data protection law or otherwise required by us (including, but not limited to, any Joint Controllers Data Processing Agreement). You further agree to:

(i) obtain, maintain and adhere to all applicable compliance standards established by PCI-DSS;

(ii) establish appropriate administrative, technical and physical controls consistent with law and PCI-DSS to preserve the security and confidentiality of any credit card information, in any form whatsoever, that it stores, processes, transmits, or comes in contact with;

(iii) promptly notify us if you suspect that there is, or has been, a security breach or potential compromise of any such credit card information;

(iv) provide us with updates regarding the status of PCI-DSS, which update may be through a completed PCI AOC (Attestation of Compliance), PCI-DSS SAQ (Self-Assessment Questionnaire) or other method mutually agreed; and

(v) promptly notify us of any noncompliance PCI-DSS requirements to discuss your remediation efforts and timeline.

We may require that you share your operational data with third-party suppliers for purposes of measuring, consolidating, benchmarking and ranking certain performance metrics. We may use this data to help us identify areas for improvement and formulate an appropriate and effective strategy to address these issues and improve your operations. We may share your operational data with other franchisees at our discretion.

16. INSPECTION AND AUDIT

16.1. Inspections. To ensure compliance with this Agreement, we (or our representative) may enter your Academy, evaluate your operations and inspect or examine your books, records, accounts and tax returns. Our evaluation may include watching or participating in classes and speaking with your managers, teachers, students and landlord. We may conduct the inspection at any time and without prior notice. During the course of the inspection, we (or our representative) will use reasonable efforts to minimize any interference with the operation of your Academy, and you and your employees will cooperate and not interfere with the inspection. You consent to us accessing your computer system and retrieving any data we deem appropriate in connection with the inspection.

16.2. Audit. We have the right, at any time, to have an independent audit made of your books and financial records. You must fully cooperate with us and any third parties we hire to conduct the audit. If an audit reveals an understatement of any amount owed to us, you must immediately pay us all additional fees you owe together with any late fee imposed pursuant to Section 13.4. Each audit will be performed at our cost unless the audit: (a) is required due to your failure to provide information we request, preserve records or file reports as required by this Agreement; or (b) reveals an understatement of any amount due to us by at least two percent (2%), in which case you must reimburse us for the cost of the audit or inspection, including all reasonable accounting and attorneys' fees and travel and lodging expenses that we or our representatives incur. The audit cost reimbursements will be due 10 days after invoicing. We shall not be deemed to have waived our right to terminate this Agreement by accepting reimbursements of our audit costs.

17. INTELLECTUAL PROPERTY

17.1. Ownership and Use of Intellectual Property. You acknowledge that: (a) we (or our affiliate) is the sole and exclusive owner of the Intellectual Property and the goodwill associated with the Marks; (b) your right to use the Intellectual Property is derived solely from this Agreement; and (c) your right to use the Intellectual Property is limited to a license granted by us to operate your Academy during the Term pursuant to, and only in compliance with, this Agreement, the Manual, and all applicable standards, specifications and operating procedures we prescribe from time to time. You may not use the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Manual governing your use of the Intellectual Property. This Agreement does not

confer to you any goodwill, title or interest in any of the Intellectual Property.

17.2. **Changes to Intellectual Property**. We have the right to modify the Intellectual Property at any time in our sole discretion, including by changing the Marks, the System, the Copyrights or the Know-how. If we modify or discontinue use of any Intellectual Property, you must comply with any such instructions from us within 30 days at your expense. We will not be liable to you for any expenses, losses or damages you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

17.3. **Use of Marks**. You agree to use the Marks as the sole identification of your Academy; provided, however that you must identify yourself as the independent owner of your Business in the manner we prescribe. You may not use the Marks in any modified form or as part of a corporate or trade name or with any prefix, suffix, or other modifying words, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (a) prominently display the Marks in the manner we prescribe on or in connection with any media advertising, promotional materials, posters, displays, receipts, stationery and forms that we designate to give notice of trade and service mark registrations and copyrights; and (b) obtain any fictitious or assumed name registrations required by applicable law. You may not use the Marks in signing any contract, lease, check, negotiable instrument or other agreement or in any manner likely to confuse or result in liability to us for any indebtedness or obligation of yours.

17.4. **Use of Know-how**. We will disclose the Know-how to you in the initial training program, the Manual, and in other guidance furnished to you during the Term. You will not acquire any interest in the Know-how other than the right to utilize it in strict accordance with the terms of this Agreement. You acknowledge the Know-how is proprietary and is disclosed to you solely for use in the development and operation of your Business during the Term.

17.5. **Improvements**. If you conceive of or develop any improvements or additions to the method of operation, techniques, procedures, advertising, marketing, products or services offered or utilized by an Academy (collectively, "Improvements"), you agree to promptly and fully disclose the Improvements to us without disclosure to others. You must obtain our approval prior to using any such Improvements. Any Improvement we approve may be used by us and any third parties we authorize to operate an Academy, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements we or other franchisees develop that we authorize for general use in connection with the operation of an Academy.

17.6. **Notification of Infringements and Claims**. You must immediately notify us of any: (a) apparent infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any person of any rights in the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute all documents, render all assistance, and perform all acts that may, in the opinion of our counsel, be necessary or advisable to protect or maintain our interest in any such litigation or proceeding and/or protect our rights to the Intellectual Property.

18. **INDEMNITY.** You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any of the following:

(i) the marketing, use or operation of your Business;

(ii) the breach of this Agreement or any related agreement by you or any of your Owners or affiliates;

(iii) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Agreement;

(iv) any labor, employment or similar type of Claim pertaining to your employees, including claims alleging we are a joint employer of your employees;

(v) any actions, investigations, rulings or proceedings conducted by any state or federal agency relating to your employees, including, without limitation, the United States Department of Labor, the Equal Employment Opportunity Commission and the National Labor Relations Board; and

(vi) any labor, employment or similar type of Claim pertaining to our relationship with you or your Owners, including claims alleging we are an employer of you and/or any of your Owners.

You and your Owners must notify us of any action, suit, proceeding, claim, demand, inquiry or investigation described above. The Indemnified Parties shall have the right, in their sole discretion to: (a) retain counsel of their choosing to represent them with respect to any Claim; and (b) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of any such Claim. You must reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorneys' fees, within 10 days of receipt of each invoice enumerating such costs, expenses and attorneys' fees.

Provided that you are not in default under this Agreement or any other agreement with us, we will indemnify you and your Owners and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any Claim asserted against you and/or your Owners based upon the violation of any third party's intellectual property rights caused by your use of our Marks in strict compliance with the terms of this Agreement and the Manual. You must promptly notify us of any such Claim and fully cooperate with us in the defense of such Claim.

19. TRANSFERS

19.1. **By Us**. This Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for any obligations incurred by us prior to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement.

19.2. **By You**. The rights and duties created by this Agreement are personal to you and the Owners. We have granted the franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior written approval. Any Transfer (other than a Permitted Transfer) without our approval shall be void and constitute a breach of this Agreement. We will not unreasonably withhold our approval of a Transfer if all of the following conditions are satisfied:

(i) the proposed transferee is, in our opinion, an individual or group of individuals of good moral character who have sufficient business experience, aptitude and financial resources to own and operate an Academy and otherwise meet our then-applicable standards for franchisees;

(ii) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us and our affiliates;

(iii) all of the transferee's owners have successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us any applicable training fee for each person who must attend training);

(iv) your landlord consents to your assignment of the lease to the transferee, or the transferee is

diligently pursuing an approved substitute location within the Site Selection Area;

(v) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law to own and operate the Academy;

(vi) the transferee and its owners sign our then-current form of franchise agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (b) the transferee need not pay a separate initial franchise fee;

(vii) you renovate and/or remodel the facility and upgrade your furniture, fixtures and equipment to comply with our then-current standards and specifications (or you obtain a commitment from the transferee to do so within the period of time we approve);

(viii) you or the transferee pay us a $10,000 transfer fee to defray expenses we incur in connection with the Transfer;

(ix) you and your Owners sign a General Release of all claims arising before or contemporaneously with the Transfer;

(x) we do not elect to exercise our right of first refusal described in Section 19.5; and

(xi) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise agreement by the transferee.

19.3. Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause any Entity that was originally the franchisee under this Agreement to sign a corporate guarantee in the format we require in order to secure the performance of the new franchisee Entity's financial obligations under this Agreement and all related agreements. You and the Owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer.

19.4. Death or Disability of an Owner. Upon the death or permanent disability of an Owner, the Owner's ownership interest in you or the franchise, as applicable, must be assigned to another Owner or to a third party approved by us within 180 days. Any assignment to a third party will be subject to all of the terms and conditions of Section 19.2 unless the assignment qualifies as a Permitted Transfer. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if the person has a medical or mental problem preventing the person from substantially complying with his or her obligations under this Agreement or otherwise operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

19.5. Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the interest in your Business or the ownership interest in you for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the Owner, as applicable, must sell the interest to us. We will have an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you (as the seller of the assets) or the Owner (as the seller of the ownership interest) or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to the terms of the offer, subject

to the requirements of Section 19.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

20. TERMINATION

20.1. **By You**. You may terminate this Agreement if we materially breach this Agreement and fail to cure the breach within 90 days after you send us a written notice specifying the nature of the breach. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 21 and all other obligations that survive the expiration or termination of this Agreement.

20.2. **Termination By Us Without Cure Period**. We may, in our sole discretion, terminate this Agreement upon five (5) days' written notice, without opportunity to cure, for any of the following reasons, all of which constitute material events of default under this Agreement:

(i) if the Managing Owner fails to satisfactorily complete the initial training program in the manner required by Section 5.1;

(ii) if you fail to obtain our approval of your site within the time period required by Sections 7.1;

(iii) if you fail to open your Academy within the time period required by Section 7.4;

(iv) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(v) if your Business, or a substantial portion of the assets associated with your Business, are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; or a final judgment against you remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Business, and it is not discharged within five (5) days of the levy;

(vi) if you abandon or fail to operate your Academy for three (3) consecutive business days, unless the failure is due to an event of force majeure or another reason we approve;

(vii) if a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Academy, even if you or the Owner still maintain appeal rights;

(viii) if you or an Owner (a) is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other material crime or (b) is subject to any material administrative disciplinary action or (c) fails to comply with any material federal, state or local law or regulation applicable to your Business;

(ix) if you or an Owner commits an act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks;

(x) if you manage or operate your Academy in a manner that presents a health or safety hazard to your customers, employees or the public;

(xi) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise;

(xii) if you fail to pay any amount owed to us or an affiliate of ours within 10 days after receipt of a demand for payment;

(xiii) if you underreport any amount owed to us by at least two percent (2%), after having already committed a similar breach that had been cured in accordance with Section 20.3;

(xiv) if you make an unauthorized Transfer;

(xv) if you make an unauthorized use of the Intellectual Property;

(xvi) if you breach any of the brand protection covenants described in Section 14;

(xvii) if any Owner, or the spouse of any Owner, breaches a Franchise Owner Agreement;

(xviii) if the lease for your premises is terminated due to your default;

(xix) if you commit three (3) or more defaults during the Term; or

(xx) if we terminate any other agreement between you and us or if any affiliate of ours terminates any agreement between you and our affiliate due to your default (other than an area development agreement).

20.3. Additional Conditions of Termination. In addition to our termination rights in Section 20.2, we may, in our sole discretion, terminate this Agreement upon 30 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (including any mandatory provision in the Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period. If we deliver a notice of default to you pursuant to this Section 20.3, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach.

20.4. Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.

21. POST-TERM OBLIGATIONS.

21.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(i) immediately cease to use the Intellectual Property;

(ii) pay us all amounts that you owe us (including any liquidated damages owed pursuant to Section 21.3, if applicable);

(iii) comply with all covenants described in Section 14 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;

(iv) return all copies of the Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks, Copyrights or other identification relating to an Academy, unless we allow you to transfer such items to an approved transferee;

(v) cancel all fictitious or assumed name registrations relating to your use of any of the Marks;

(vi) provide us with a list of all of your current, former and prospective students and the contact information for their parents;

(vii) assign all enrollment agreements to us (unless we allow you to transfer those agreements to an approved transferee);

(viii) alter the interior and exterior of the premises to the extent necessary (or to the extent we

require) to prevent any further resemblance to or connection with a Seashore Academy or our System, including, without limitation, repainting the exterior and interior with new colors, removing trade dress, fixtures and décor items associated with a Seashore Academy, removing all signage and discontinuing use of approved wall décor items and window decals; provided, however, that this subsection shall not apply if your Academy is transferred to an approved transferee or if we exercise our right to purchase your entire Business;

(ix) notify all telephone companies, listing agencies and domain name registration companies (collectively, the "Agencies") of the termination or expiration of your right to use: (a) the telephone numbers and/or domain names, if applicable, related to the operation of your Business; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(x) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

21.2. Right to Purchase Facility and Assets.

(a) Generally. Upon the termination or expiration of this Agreement, we have the option to purchase your Academy and/or its assets at fair market value. If we exercise this option, fair market value shall be determined as of the effective date of the termination or expiration of this Agreement (the "Appraisal Date"). We will notify you of the specific items we wish to purchase (the "Acquired Assets"). We may require you to assign your lease to us at no additional charge.

(b) Selecting Qualified Appraisers. Each party shall appoint an appraiser with experience appraising businesses comparable to an Academy in the United States (a "Qualified Appraiser"). This appointment of the appraisers shall be made within 30 days after the Appraisal Date by giving written notice to the other party of the name and address of the Qualified Appraiser. If either party fails to appoint a Qualified Appraiser within the 30-day period, the appraisal shall be made by the sole Qualified Appraiser appointed within that period. If each party appoints a Qualified Appraiser within the 30-day period, then within 30 days after that, the two (2) Qualified Appraisers shall appoint a third (3rd) Qualified Appraiser. If the two (2) Qualified Appraisers fail to agree on the third (3rd) Qualified Appraiser within the 30-day period, then a third (3rd) Qualified Appraiser shall be appointed by the American Arbitration Association (acting through its office located closest to our corporate headquarters) as promptly as possible after that, upon application by either party. Nothing in this provision shall prohibit the parties from jointly approving a single appraiser.

(c) Information for Appraisal. You must furnish to the Qualified Appraisers a copy of your current financial statements and your financial statements for the prior three (3) years (or the period of time you have operated your Academy if less than three (3) years), together with the work papers and other financial data, documents or information that the Qualified Appraisers request. The Qualified Appraisers shall take into account the other information and factors they deem relevant, but the Qualified Appraisers shall be instructed that there shall be no consideration of goodwill in the determination of fair market value.

(d) Appraisal Process. Within 60 days after the appointment of the third Qualified Appraiser, the three (3) Qualified Appraisers shall appraise the Appraised Assets at fair market value without taking into account any value for goodwill (the "Appraised Value"). If the three (3) Qualified Appraisers agree on a single value, then they shall issue a joint report and the Appraised Value shall be the value determined by the agreement of the three (3) Qualified

Appraisers. If two (2) of the three (3) Qualified Appraisers agree on a single value, these two (2) Qualified Appraisers shall issue a joint report, and the dissenting Qualified Appraiser may (but need not) issue a separate report, and the value determined by agreement of the two (2) Qualified Appraisers who shall agree shall be the Appraised Value. If none of the Qualified Appraisers are able to agree on a single value, each Qualified Appraiser shall issue a report setting forth the value determined by him or her, and the average of the two values that are closest to each other shall be the Appraised Value. Before the issuance of a report by any Qualified Appraiser, each Qualified Appraiser shall advise the others of the value that will appear in his or her report to ensure that the determination of value made by any Qualified Appraiser is made with knowledge of the values determined by the other Qualified Appraisers. If there shall be only a single Qualified Appraiser (because either party failed to appoint a Qualified Appraiser within the time provided), then the Appraised Value shall be the value determined by the single Qualified Appraiser.

(e) Cost of Appraisal. You and we shall equally bear the cost of the appraisal.

(f) Closing. Once the Appraised Value has been determined, we will have at least 60 additional days to prepare for the closing. We will be entitled to receive from you all customary representations and warranties given by you as the seller of the Acquired Assets and you must transfer good and clean title to the Acquired Assets, subject to any exceptions agreed to by us. We may deduct from the Appraised Value all amounts that you owe us or our affiliates under this Agreement or any other agreement (including liquidated damages, if applicable).

21.3. Liquidated Damages. In addition to any other claims we may have (other than claims for lost future royalty fees or brand fund contributions), if we terminate this Agreement based on your default or if you terminate this Agreement or cease operating in violation of its terms, you must pay us liquidated damages calculated as an amount equal to the greater of: (a) $30,000; or (b) the product of your Average Monthly Fees multiplied by the lesser of (i) 36 months, or (ii) the number of full months remaining under the Term. "Average Monthly Fees" means the sum of the total royalty fees and brand fund contributions for the 12-month period immediately preceding termination, divided by 12. If your Academy has been open less than 12 months as of the date of termination or cessation of operations, as applicable, then "Average Monthly Fees" means total royalty fees and brand fund contributions for the period that begins on your opening date and ends on the date of termination / cessation of operations, divided by the number of months in the period. You acknowledge and agree that the amount of liquidated damages determined in accordance with the preceding formula reasonably represents our monetary losses of royalty fees and brand fund contributions resulting from the termination of this Agreement and is not a penalty.

22. DISPUTE RESOLUTION. Except as otherwise provided below, the parties agree to submit all claims, disputes and disagreements, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a "Dispute") to mediation before a mutually-agreeable mediator prior to arbitration. If the Dispute is not resolved by mediation within 60 days after either party makes a demand for mediation, the parties will submit the dispute to mandatory and binding arbitration conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association (the "AAA Rules"). The party filing the arbitration must initially bear the cost of any arbitration fees or costs. The arbitrators will not have authority to award exemplary or punitive damages. Notwithstanding the foregoing, any Dispute involving claims alleging a breach of Section 14 and/or Section 17 (referred to as "Excluded Claims") will not be subject to mediation or arbitration unless otherwise agreed to by both parties. Either party may immediately file a lawsuit in accordance with this Section with respect to any Excluded Claim. Notwithstanding this Section's incorporation of the AAA Rules, the parties hereby express their clear and unequivocal intent that a court, rather than an arbitrator, shall have exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an alleged Excluded Claim (i.e., whether there are any claims alleging a breach of Section 14 and/or Section 17). All mediation, arbitration and litigation shall take place in the county in

which we maintain our principal place of business at the time the Dispute arises (currently, Orange County, California) and the parties irrevocably waive any objection to such venue. If we or you must enforce this Agreement in a judicial or arbitration proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you breach any term of this Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings. UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF SECTION 14 OR SECTION 17) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR ARBITRATION (OR IF PERMITTED, LITIGATION) WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

23. YOUR REPRESENTATIONS.

23.1. Corporate Representations. You and the Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any other agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets may be bound; (b) violate any order, writ, injunction, decree, judgment or ruling of any governmental authority; or (c) violate any applicable law. If the franchisee is an Entity, you and the Owners also jointly and severally represent and warrant to us that: (a) the franchisee Entity is duly organized, validly existing and in good standing under the laws of the state of its formation and has the requisite power and authority to enter into this Agreement and perform each of its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement shall constitute the legal, valid and binding obligation of the franchisee Entity and shall be enforceable against the franchisee Entity in accordance with its terms.

23.2. Franchise Compliance Representations. You and the Owners jointly and severally represent and warrant to us that you received: (a) an exact copy of this Agreement and its attachments, with all material terms filled in, at least seven (7) calendar days before you signed this Agreement; and (b) our Franchise Disclosure Document at the earlier of (i) 14 calendar days before you signed a binding agreement or paid any money to us or our affiliates or (ii) such earlier time in the sales process that you requested a copy.

23.3. General Representations. You and the Owners jointly and severally represent and warrant to us that you and the Owners are aware that: (a) other franchisees may operate under different forms of agreement and our obligations and rights with respect to franchisees differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

24. GENERAL PROVISIONS

24.1. Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of California (without reference to its principles of conflicts of law), but any law of the State of California that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

24.2. Relationship of the Parties. Nothing in this Agreement creates a fiduciary relationship between

you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Business. You agree to place any notice of independent ownership we specify on all forms, stationery, advertising, business cards and other materials we require. Neither party is permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. In addition, neither party will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.

24.3. **Severability and Substitution**. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (a) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable.

24.4. **Waivers.** Each party may waive or reduce any obligation of or restriction upon the other in writing. Any such waiver shall be without prejudice to any other rights the party may have. Neither party shall be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by either party to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (c) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other franchisees; or (d) our acceptance of any payments due from you after breach of this Agreement.

24.5. **Approvals.** Whenever this Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request.

24.6. **Force Majeure.** Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of force majeure. Any delay resulting from an event of force majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances. Notwithstanding the foregoing, "force majeure" will not: (a) relieve you of any payment obligations under this Agreement; or (b) excuse, or apply with respect to, any breaches resulting from an epidemic or pandemic of a contagious illness or disease or resulting from any economic or financial changes caused by such epidemic or pandemic, except for any government-mandated closures of the Academy related to such epidemic or pandemic.

24.7. **Binding Effect.** This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the additional insureds listed in Section 15.1 and the Indemnified Parties are intended third-party beneficiaries under this Agreement with respect to Section 15.1 and Section 18, respectively.

24.8. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY SECTION 11.2 AND SECTION 24.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. In addition, our issuance of the Site Approval Notice attached hereto as ATTACHMENT "B" shall be deemed to amend this Agreement to identify the approved site and Territory for your Academy, regardless of whether you countersign and/or return the Site Approval Notice. Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) 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.

24.9. Covenant of Good Faith. If applicable law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law implies the covenant, you agree that: (a) this Agreement (and the relationship of the parties inherent in this Agreement) grants us discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests; (b) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees (including ourselves and our affiliates if applicable), but without considering your individual interests or the individual interests of any other particular franchisee; (c) we have no liability to you for the exercise of our discretion in this manner so long as the discretion is not exercised in bad faith; and (d) in the absence of bad faith, no trier of fact in any arbitration or litigation may substitute its judgment for our judgment so exercised.

24.10. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

24.11. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, Section 13, Section 14, Section 16, Section 18, Section 21, Section 22 and Section 24.

24.12. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections

contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

24.13. Time of Essence. Time is of the essence in this Agreement and every term thereof.

24.14. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

24.15. Notice. All notices given under this Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient) or first class mail, to the following addresses (which may be changed upon 10 business days prior written notice):

YOU: As set forth in Part A of ATTACHMENT "A"

US: Freedom Learning, LLC
1300 Bristol Street N, Suite 100
Newport Beach, California 92660

Notice shall be considered given at the time delivered by hand, or one (1) business day after sending by email or comparable electronic system, or three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Freedom Learning, LLC, a Wyoming limited liability company

By:_____
Name:_____
Its:_____

YOU (If you are an entity):

_____,
a(n)_____

By:_____
Name:_____
Its:_____

YOU (If you are not an entity):

_____
Name:_____

_____
Name: _____

_____
Name: _____

_____
Name: _____

ATTACHMENT "A"

TO FRANCHISE AGREEMENT

DEAL TERMS

A. Franchisee Details.

Name of Franchisee: [_____]

Is the franchisee one or more natural persons signing in their individual capacity? **Yes**: _____ **No**: _____

Type of Entity and State of Formation* (if applicable): [_____]

* *If the franchisee is a business entity, each natural person holding a direct or indirect ownership interest in the business entity, and spouse of each such person, must sign the Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each natural person holding a direct or indirect ownership interest in the franchise (or the franchisee business entity if applicable) along with a description of their ownership interest.

Owner's Name	% Ownership Interest	Direct or Indirect (if indirect, describe nature of interest)

Notice Address: [_____]

B. Site Selection Area.

The Site Selection Area referenced in the Franchise Agreement shall consist of the following geographic area: [_____]

* *The Site Selection Area is not your territory and there are no protections associated with this area*.

C. Approved Site.

We hereby approve the site listed below for the operation of your Academy.

Approved Address: [_____]

* *If the site for your Academy has not been approved by us at the time the Franchise Agreement is signed, then we will send you a Site Approval Notice in accordance with Section 7.1 listing the address of your approved site.*

D. Territory.

The Territory referenced in the Franchise Agreement shall consist of the following geographic area (as further depicted on the map attached on the following page):

[_____]

If there are any changes to the zip codes or other boundaries that define your Territory during the term of the Franchise Agreement or any renewal term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes or other boundaries in effect as of the Effective Date and depicted on the map on the following page.

** If the site for your Academy has not been approved by us at the time this Agreement is signed, then we will send you a Site Approval Notice in accordance with Section 3 that will identify the geographic area that comprises your Territory and identify the total number of Qualifying Children within your Territory (as of the date that the Territory is determined).*

[Insert Map Below (if applicable)]

ATTACHMENT "B"

TO FRANCHISE AGREEMENT

FORM OF SITE APPROVAL NOTICE

[See Attached]

SITE APPROVAL NOTICE

Freedom Learning, LLC ("we" or "us") is issuing this Site Approval Notice (this "Notice") to _____ ("you"), effective _____, 202___, in connection with the Seashore Academy Franchise Agreement (the "Franchise Agreement") that we executed with you on _____, 202___. The purpose of this Notice is to confirm our approval of the site you have proposed for your Academy premises and our designation of the boundaries of your "Territory".

Approved Address:

Pursuant to Section 7.1 of the Franchise Agreement, we hereby approve the site listed below for the operation of your Academy:

_____
_____
_____

Territory:

Pursuant to Section 3 of the Franchise Agreement, we hereby designate the following geographic area as your "Territory" under the Franchise Agreement (as may be further depicted on the map attached on the following page):

[_____]

Your territory includes [_____] Qualifying Children (as defined in the Franchise Agreement).

If there are any changes to the zip codes or other boundaries that define your Territory during the term of the Franchise Agreement or any renewal term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes or other boundaries in effect as of the Effective Date and depicted on the map on the following page.

* * *

By signing below, you and we agree that: (a) the address identified in this Notice shall be deemed your approved site for your Academy established and operated pursuant to the Franchise Agreement; and (b) the geographic area described in this Notice under "Territory" shall be deemed your Territory under the Franchise Agreement. You acknowledge and agree that our acceptance of the site you have proposed is in no way a representation by us that your site will be successful. Rather, our acceptance of the site you propose merely indicates that the site meets our minimum standards and requirements.

We request that you sign below and send us an executed copy of this Notice to acknowledge your receipt. However, your failure or refusal to sign below will not invalidate or otherwise affect our designation of your approved site or Territory. Our designation of your approved site and Territory, as set forth in this Notice, shall be binding upon you effective as of the effective date listed in the first paragraph in this Notice, as the approved site for your Academy and Territory under the Franchise Agreement.

Franchisor	**Franchisee**
Freedom Learning, LLC	_____
By:_____	By:_____
Name:_____	Name:_____
Its:_____	Its:_____
Date: _____	Date: _____

ATTACHMENT "C"

TO FRANCHISE AGREEMENT

LEASE ADDENDUM

[See Attached]

Lease Addendum

This Agreement dated this ___ day of _____, 202__ among Freedom Learning, LLC, a Wyoming limited liability company, with principal offices at 1300 Bristol Street N, Suite 100, Newport Beach, California 92660 (the "Franchisor"), _____, a(n)_____, with principal offices located at _____ (the "Landlord"), and _____, a(n)_____, with principal offices located at _____ (the "Tenant/Franchisee").

Background

A. On _____, 202___, the Tenant/Franchisee and the Franchisor entered a Seashore Academy, Franchise Agreement (the "Franchise Agreement"). Under the Franchise Agreement, the Franchisor granted the Tenant/Franchisee the right, and the Tenant/Franchisee undertook the duty, to operate a Seashore Academy education business (the "Franchised Business") at the Premises (defined below).

B. Simultaneously with entering this Agreement, the Landlord and the Tenant/Franchisee are entering a lease agreement (the "Lease"). Under the Lease, the Tenant/Franchisee leases the premises described in Exhibit "A" (the "Premises").

C. To protect the Franchisor's rights and interests under the Franchise Agreement, the Landlord grants certain rights to the Franchisor under the Lease as set forth below.

Agreement

1. Notices. At the same time such notices are sent to the Tenant/Franchisee, the Landlord must provide the Franchisor with copies of all written notices of default that it sends to the Tenant/Franchisee. The Landlord agrees to send such copies by first-class mail, postage prepaid, to the Franchisor at its address set forth above or such other address as the Franchisor may notify the Landlord in writing.

2. Right to Cure. If the Tenant/Franchisee defaults under the Lease, the Franchisor has the right (but not the duty) to cure such default within 15 days following the expiration of any applicable cure period. Furthermore, in such event, the Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease without obtaining the Landlord's or Franchisee's consent. The Franchisor may thereafter assign the Lease to another Seashore Academy franchisee or to an entity owned and/or controlled by the Franchisor. If it does, the Franchisor must first obtain the Landlord's written approval of the assignee. The Landlord, however, must neither unreasonably withhold nor delay its approval thereof. The Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

3. Right to Assign. At any time (including, without limitation, upon the expiration or sooner termination of the Franchise Agreement) without the Landlord's prior consent, the Tenant/Franchisee may assign the Lease to the Franchisor. In such event, the Franchisor may thereafter assign the Lease to another Seashore Academy franchisee or to an entity owned and/or controlled by the Franchisor. If it does, the Franchisor must first obtain the Landlord's written approval of the assignee. The Landlord, however, must neither unreasonably withhold nor delay its approval thereof. The Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

4. Right of First Refusal. The Landlord agrees that upon the expiration or termination of the Lease, the Franchisor shall have the first right of refusal to lease the Premises as the new tenant.

5. Expiration or Termination of Franchise Agreement. The Landlord agrees that the expiration or termination of the Franchise Agreement shall constitute a default under the Lease, giving the Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant/Franchisee's interests under

the Lease in accordance with Section 2 above.

6. Acknowledgement of Rights. The Landlord acknowledges the Franchisor's rights under the Franchise Agreement to enter the Premises to: (a) make any modifications or alterations necessary in the Franchisor's sole discretion to protect its franchise system and its trademarks without being guilty of trespass or any other tort or crime; and (b) remove any trade fixtures, interior or exterior signs and other items bearing the Franchisor's trademarks or service marks upon the expiration or termination of the Franchise Agreement.

7. Modification of Lease. Without the Franchisor's prior written consent, the Landlord and the Tenant/Franchisee may not amend, modify, supplement, terminate, renew or extend the Lease.

8. Miscellaneous.

   (a) In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement control.

   (b) All of the terms of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns.

   (c) The provisions of this Agreement may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Agreement and making specific reference to this Agreement.

   (d) This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

In witness whereof, this Agreement has been executed the date and year first above written.

FRANCHISOR:

Freedom Learning, LLC, a Wyoming limited liability company

By:_____
Name:_____
Its:_____

LANDLORD:

_____, (a)n _____
_____

By:_____
Name:_____
Its:_____

TENANT/FRANCHISEE:

_____, (a)n _____
_____

By:_____
Name:_____
Its:_____

EXHIBIT “A” TO LEASE ADDENDUM

DESCRIPTION OF PREMISES

_____

_____

ATTACHMENT "D"

TO FRANCHISE AGREEMENT

FRANCHISE OWNER AGREEMENT

[See Attached]

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "Agreement") is entered into by: (a) each of the undersigned owners of Franchisee (defined below); and (b) the spouse of each such owner, in favor of Freedom Learning, LLC, a Wyoming limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you".

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Academy" means a private education business that operates under the name Seashore Academy and uses our System.

"Competitive Business" means any supplemental education business operated from dedicated commercial space that is competitive with a Seashore Academy and (a) maintains homeschooling status, (b) offers flexible scheduling for students and (c) offers subjects that are similar to those offered at a Seashore Academy.

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Seashore Academy franchisees to use, sell or display in connection with the marketing and/or operation of an Academy, whether now in existence or created in the future.

"Franchise Agreement" means the Seashore Academy Franchise Agreement executed by Franchisee with an effective date of _____, 202__.

"Franchised Business" means the Academy operated by Franchisee pursuant to the Franchise Agreement.

"Franchisee" means _____.

"Improvements" means any additions, modifications or improvements to (a) the goods or services offered at an Academy, (b) the method of operation of an Academy or (c) any marketing or promotional ideas relating to an Academy, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements. *"Intellectual Property"* also includes all customer data collected by Franchisee or by us.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of an Academy, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"Manual" means our confidential brand standards manual for the operation of an Academy.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an Academy, including "Seashore Academy" and the related logos, and any other trademarks, service marks or trade names that we designate for use by an Academy. The term "*Marks*" also includes any distinctive trade dress used to identify an Academy, whether now in existence or hereafter created.

"Prohibited Activities" means any or all of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (b) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (c) inducing any student enrolled in an Academy, or inducing the family of any student enrolled in an Academy, to transfer their business to a competitor.

"Restricted Period" means the two (2) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (c) the date on which you cease to be an owner of Franchisee or your spouse ceases to be an owner of Franchisee, as applicable; provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one (1) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (c) the date on which you cease to be an owner of Franchisee or your spouse ceases to be an owner of Franchisee, as applicable.

"Restricted Territory" means the geographic area within a 25-mile radius from Franchisee's Academy (and including the Academy's premises itself); provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a 10-mile radius from Franchisee's Academy (and including the Academy's premises itself).

"System" means our distinct system for the operation of a Seashore Academy, the distinctive characteristics of which include: our Marks; proprietary programs and products; proprietary curriculum; flexible academic scheduling; academically intensive curriculum; training programs; marketing and promotional programs; and operating system.

2. Background. In your capacity as an owner of Franchisee, or the spouse of an owner of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "owners" and not just Franchisee. You agree to comply with the terms of this Agreement in order to: (a) avoid damaging our System by engaging in unfair competition; and (b) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

(a) Intellectual Property. You agree to:

(i) refrain from using the Intellectual Property in any capacity or for any purpose other than the operation of Franchisee's Academy in compliance with the Franchise Agreement and Manual;

(ii) maintain the confidentiality of the Know-how at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of Know-how

(iv) refrain from making unauthorized copies of documents containing any Know-how; and

(v) immediately stop using the Know-how at such time that you are no longer an owner of Franchisee or your spouse is no longer an owner of Franchisee, as applicable.

You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.

(b) Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an owner of Franchisee or while your spouse is an owner of Franchisee, as applicable, by engaging in any Prohibited Activities.

(c) Unfair Competition After Relationship. You agree not to unfairly compete with us by engaging in any Prohibited Activities during the Restricted Period; provided, however, that the Prohibited

Activity relating to having an interest in a Competitive Business only applies to a Competitive Business that is located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

(d) Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild). You also acknowledge it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Know-how to the family member.

(e) Covenants Reasonable. You acknowledge that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR UNENFORCEABLE.** Although you and we both believe the covenants in this Agreement are reasonable, we may at any time unilaterally modify the terms of the brand protection covenants in Section 3 of this Agreement, upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 3 of this Agreement to ensure that the terms and covenants are enforceable under applicable law

(f) Breach. You agree that your failure to comply with the covenants in this Section 3 is likely to cause substantial and irreparable damage to us and/or our other franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree we may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law, and your sole remedy in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Transfer Restrictions. If you are an owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect ownership interest in Franchisee except in accordance with the terms and conditions set forth in Section 19.2 of the Franchise Agreement.

5. Financial Security. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours and any promissory note related to payments owed to us (collectively, the "Secured Agreements"), you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreement; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (a) acceptance and notice of acceptance by us of the foregoing undertakings; (b) notice of demand for payment of any indebtedness

guaranteed; (c) protest and notice of default to any party with respect to the indebtedness guaranteed; (d) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed. You agree that: (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Secured Agreements upon demand if Franchisee fails to promptly do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy of Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

6. **Dispute Resolution.** Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures in the Franchise Agreement. Notwithstanding the foregoing, if any dispute resolution procedures in the Franchise Agreement conflict with any terms of this Agreement, the terms of this Agreement shall prevail. **You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with the terms thereof.**

7. **Miscellaneous**.

   (a) If either party hires an attorney or files suit against the other party relating to or alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

   (b) This Agreement will be governed by, construed and enforced under the laws of the state in which you reside and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

   (c) Any claim, defense or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

   (d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

   (e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

[Signature Page Follows]

In witness whereof, each of the undersigned has executed this Agreement as of the date or dates set forth below.

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

ATTACHMENT "E"

TO FRANCHISE AGREEMENT

ACH AUTHORIZATION FORM

[See Attached]

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name | Business No.

Franchisee Mailing Address (street) | Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different from above)

Franchisee Fax No. | Franchisee Email Address

Bank Account Information:

Bank Name

Bank Mailing Address (street, city, state, zip)

Bank Account No. | ☐ Checking ☐ Savings (check one) | Bank Routing No. (9 digits)

Bank Mailing Address (city, state, zip) | Bank Phone No.

Authorization:

Franchisee hereby authorizes Freedom Learning, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature:_____ Date:_____

Name:_____

Its:_____

Federal Tax ID Number:_____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT "F"

TO FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT

[See Attached]

BRAND PROTECTION AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of Freedom Learning, LLC, a Wyoming limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Academy" means a private education business that operates under the name Seashore Academy and uses our System.

"Competitive Business" means any supplemental education business operated from dedicated commercial space that is competitive with a Seashore Academy and (a) maintains homeschooling status, (b) offers flexible scheduling for students and (c) offers subjects that are similar to those offered at a Seashore Academy.

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Seashore Academy franchisees to use, sell or display in connection with the marketing and/or operation of an Academy, whether now in existence or created in the future.

"Franchisee" means the Seashore Academy franchisee for whom you are an officer, director, employee or independent contractor.

"Improvements" means any additions, modifications or improvements to: (a) the goods or services offered at an Academy; (b) the method of operation of an Academy; or (c) any marketing or promotional ideals relating to an Academy, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements. *"Intellectual Property"* also includes all customer data collected by Franchisee or by us.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of an Academy, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"Manual" means our confidential brand standards manual for the operation of an Academy.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an Academy, including "Seashore Academy" and the related logos, and any other trademarks, service marks or trade names that we designate for use by an Academy. The term "*Marks*" also includes any distinctive trade dress used to identify an Academy, whether now in existence or hereafter created.

"Prohibited Activities" means any or all of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (b) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (c) inducing any student enrolled in an Academy, or inducing the family of any student enrolled in an Academy, to transfer their business to a competitor.

"Restricted Period" means the two (2) year period after you cease to be an officer, director, employee or independent contractor of Franchisee; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one (1) year period after you cease to be an officer, director, employee or independent contractor of Franchisee.

"Restricted Territory" means the geographic area within a 25-mile radius from Franchisee's Academy (and including the Academy's premises itself); provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a 10-mile radius from Franchisee's Academy (and including the Academy's premises itself).

"System" means our distinct system for the operation of a Seashore Academy, the distinctive characteristics of which include: our Marks; proprietary programs and products; proprietary curriculum; flexible academic scheduling; academically intensive curriculum; training programs; marketing and promotional programs; and operating system.

2. **Background.** You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Intellectual Property**. You agree to:

(i) refrain from using the Intellectual Property in any capacity or for any purpose other than the operation of Franchisee's Academy;

(ii) maintain the confidentiality of the Know-how at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of the Know-how

(iv) refrain from making unauthorized copies of documents containing any Know-how; and

(v) immediately stop using the Know-how at such time that you are no longer an officer, director, employee or independent contractor of Franchisee.

4. **Unfair Competition During Relationship**. You agree not to unfairly compete with us at any time while you are an officer, director, employee or independent contractor of Franchisee by engaging in any Prohibited Activities.

5. **Unfair Competition After Relationship**. You agree not to unfairly compete with us by engaging in any Prohibited Activities during the Restricted Period; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business only applies to a Competitive Business that is located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

6. **Immediate Family Members**. You acknowledge you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you will be presumed to have violated the terms of this Agreement if any member of your immediate family (a) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (b) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Know-how to the family member.

7. **Covenants Reasonable**. You acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) you have sufficient resources business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

8. **Breach**. You agree that your failure to comply with the terms of this Agreement is likely to cause

substantial and irreparable damage to us and/or our other franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree we may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law, and your sole remedy in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of the state in which you reside and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(e) If you are a resident of Washington, D.C. as of the date you sign this Agreement, then the noncompetition covenant set forth in this Agreement shall not be applicable to you and the definition of "Prohibited Activities" shall be deemed amended by deleting clause (a) from such definition.

This Brand Protection Agreement is executed as of the date or dates set forth below.

By: _____

Name: _____

Date: _____

ATTACHMENT "G"

TO FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

[See Attached]

CONFIDENTIALITY AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of Freedom Learning, LLC, a Wyoming limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Academy" means a private education business that operates under the name Seashore Academy and uses our System.

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Seashore Academy franchisees to use, sell or display in connection with the marketing and/or operation of an Academy, whether now in existence or created in the future.

"Franchisee" means the Seashore Academy franchisee for whom you are an officer, director, employee or independent contractor.

"Improvements" means any additions, modifications or improvements to (a) the goods or services offered at an Academy, (b) the method of operation of an Academy or (c) any marketing or promotional ideals relating to an Academy, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements. *"Intellectual Property"* also includes all customer data collected by Franchisee or by us.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of an Academy, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"Manual" means our confidential brand standards manual for the operation of an Academy.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an Academy, including "Seashore Academy" and the related logos, and any other trademarks, service marks or trade names that we designate for use by an Academy. The term "*Marks*" also includes any distinctive trade dress used to identify an Academy, whether now in existence or hereafter created.

"System" means our distinct system for the operation of a Seashore Academy, the distinctive characteristics of which include: our Marks; proprietary programs and products; proprietary curriculum; flexible academic scheduling; academically intensive curriculum; training programs; marketing and promotional programs; and operating system.

2. Background. You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree to:

(i) refrain from using the Intellectual Property in any capacity or for any purpose other than the operation of Franchisee's Academy;

(ii) maintain the confidentiality of the Know-how at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of the Know-how;

(iv) refrain from making unauthorized copies of documents containing any Know-how; and

(v) immediately stop using the Know-how at such time that you are no longer an officer, director, employee or independent contractor of Franchisee.

4. **Immediate Family Members**. You acknowledge you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Know-how to the family member.

5. **Covenants Reasonable**. You acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

6. **Breach**. You agree that your failure to comply with the terms of this Agreement is likely to cause substantial and irreparable damage to us and/or our other franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree we may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law, and your sole remedy in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. **Miscellaneous**.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of the state in which you reside and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

This Confidentiality Agreement is executed as of the date set forth below.

By: _____

Name: _____

Date: _____

ATTACHMENT "H"

TO FRANCHISE AGREEMENT

DEFINITIONS

"Academy" means a private education business that operates under the name Seashore Academy and uses our System.

"Account" is defined in Section 13.5.

"ACH Agreement" means our form of ACH Authorization Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "E".

"Acquired Assets" is defined in Section 21.2.

"Agencies" is defined in Section 21.1.

"Agreement" is defined in the Introductory Paragraph.

"Alternative Channels of Distribution" means all channels of distribution other than the provision of education and enrichment services to students while physically present at a Seashore Academy. Examples include the provision of education products or services over the Internet, through catalogs or telemarketing or onsite at a student's home or school.

"Appraisal Date" is defined in Section 21.2.

"Appraised Value" is defined in Section 21.2.

"Average Monthly Fees" is defined in Section 21.3.

"Brand Protection Agreement" means our form of Brand Protection Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "F".

"Business" is defined in Section 2.

"Claim" or *"Claims"* means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries.

"Competitive Business" means any supplemental education business operated from dedicated commercial space that is competitive with a Seashore Academy and (a) maintains homeschooling status, (b) offers flexible scheduling for students and (c) offers subjects that are similar to those offered at a Seashore Academy.

"Confidentiality Agreement" means our form of Confidentiality Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "G".

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Seashore Academy franchisees to use, sell or display in connection with the marketing and/or operation of an Academy, whether now in existence or created in the future.

"Dispute" is defined in Section 22.

"Effective Date" is defined in the Introductory Paragraph.

"Entity" means a corporation, partnership, limited liability company or other form of association.

"General Release" means our current form of general release of all claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities.

"Gross Sales" means all amounts that you charge, invoice or collect from all goods and services sold in connection with your Academy, whether in the form of cash, check, credit card, debit card, barter, exchange or

otherwise, and regardless of collection. All barter and/or exchange transactions in which you furnish products and/or services in exchange for products and/or services provided to you by a vendor, supplier, or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the products and/or services so provided to you. "*Gross Sales*" also includes any other amounts you may collect in relation to your Business, including, without limitation, advertising revenues, sponsorship fees or business interruption insurance proceeds. If you provide free or discounted goods or services, you must calculate Gross Sales using the standard non-discounted retail pricing for such good or services (except as otherwise provided in the Manual for free or discounted goods or services provided to certain qualifying staff members or to your direct children). "*Gross Sales*" does not include: (a) revenues that you collect from a customer and later refund to that customer; or (b) any sales or use taxes that you collect from a customer and pay to a government agency. The Manual may include policies governing the manner in which proceeds from the sale of gift cards are treated for purposes of calculating Gross Sales.

"Improvements" is defined in Section 17.5.

"Indemnified Party" or *"Indemnified Parties"* means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements. *"Intellectual Property"* also includes all customer data collected by you or us.

"Interim Manager" is defined in Section 8.4.

"Interim Term" is defined in Section 4.3.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of an Academy, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"Losses and Expenses" means all compensatory, exemplary, and punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as a result of a Claim.

"Managing Owner" means the Owner that you designate and we approve who is primarily responsible for the overall management and supervision of the Academy.

"Manual" is defined in Section 6.1.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an Academy, including "Seashore Academy" and the related logos, and any other trademarks, service marks or trade names that we designate for use by an Academy. The term "*Marks*" also includes any distinctive trade dress used to identify an Academy, whether now in existence or hereafter created.

"Owner" or *"Owners"* means any individual who owns a direct or indirect ownership interest in the franchise or the Entity that is the franchisee under this Agreement. "Owner" includes both passive and active owners.

"PCI-DSS" means the payment card industry data security standard, which is a set of security requirements established by the following major credit card brands from time to time: American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., which standards are set forth at https://www.pcisecuritystandards.org as of the Effective Date.

"Permitted Transfer" means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by an Owner who is the Managing Owner that results in the Managing Owner holding less than a 10% ownership interest in the franchise or the Entity that is the franchisee under this Agreement, as applicable; and/or (b) a Transfer to a newly established Entity for which the Owners collectively own and control 100% of the ownership interests and voting power.

"Post-Term Restricted Period" means, with respect to you, a period of two (2) years after the termination,

expiration or Transfer of this Agreement; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the "*Post-Term Restricted Period*" means, with respect to you, a period of one (1) year after the termination, expiration or Transfer of this Agreement. "*Post-Term Restricted Period*" means, with respect to an Owner, a period of two (2) years after the earlier to occur of (a) the termination, expiration or Transfer of this Agreement or (b) the Owner's Transfer of his or her entire ownership interest in the franchise or the Entity that is the franchisee, as applicable; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the "*Post-Term Restricted Period*" means, with respect to an Owner, a period of one (1) year after the earlier to occur of (a) the termination, expiration or Transfer of this Agreement or (b) the Owner's Transfer of his or her entire ownership interest in the franchise or the Entity that is the franchisee, as applicable.

"Prohibited Activities" is defined in Section 14.3.

"Qualified Appraiser" is defined in Section 21.2.

"Qualifying Child" is defined in Sections 3.

"Restricted Territory" means the geographic area within a 25-mile radius from your Academy (and including your Academy's premises itself); provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a 10-mile radius from your Academy (and including your Academy's premises itself).

"Site Approval Notice" is defined in Sections 3.

"Site Selection Area" is defined in Sections 7.1.

"Successor Agreement" is defined in Section 4.1.

"System" means our distinct system for the operation of a Seashore Academy, the distinctive characteristics of which include: our Marks; proprietary programs and products; proprietary curriculum; flexible academic scheduling; academically intensive curriculum; training programs; marketing and promotional programs; and operating system.

"Technology Systems" is defined in Section 11.9.

"Term" is defined in Section 4.1.

"Territory" is defined in Section 3.

"Transfer" means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of this Agreement or the franchise (or any interest therein), the Business (or any portion thereof) or an ownership interest in an Entity that is the franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

"We" or "us" is defined in the Introductory Paragraph.

"You" is defined in the Introductory Paragraph.

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

[See Attached]

Seashore Academy

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPER: _____

DATE: _____

TABLE OF CONTENTS

1.	DEFINITIONS..	1
2.	GRANT OF DEVELOPMENT RIGHTS..	1
3.	TERRITORIAL PROTECTIONS AND LIMITATIONS..	2
4.	DEVELOPMENT OBLIGATIONS	2
5.	DEVELOPMENT FEE.	2
6.	AREA DEVELOPER AS ENTITY	2
7.	TRANSFERS	3
8.	TERMINATION OF DEVELOPMENT RIGHTS	4
9.	DISPUTE RESOLUTION	4
10.	YOUR REPRESENTATIONS..	5
11.	GENERAL PROVISIONS	5

ATTACHMENTS

ATTACHMENT "A" Deal Terms

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is entered into as of _____, 202__ (the "Effective Date") between Freedom Learning, LLC, a Wyoming limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms used in this Agreement shall have the meanings given to them below. Any capitalized term used in this Agreement that is not defined below shall have the meaning given to such term in the Initial Franchise Agreement (as defined below).

"Academy" means a private education business that operates under the name Seashore Academy and uses our System.

"Alternative Channels of Distribution" has the meaning given to such term in the Initial Franchise Agreement.

"Development Schedule" means the schedule described in Section 4.1 and Part D of ATTACHMENT "A" for the development of the Academies within the Development Territory.

"Development Territory" means the geographic area described in Part C of ATTACHMENT "A".

"Franchise Agreement" means a Seashore Academy Franchise Agreement executed by us and you (or an affiliate of yours) for the establishment and operation of an Academy pursuant to this Agreement.

"Initial Franchise Agreement" means the Franchise Agreement executed by you concurrently with the execution of this Agreement for the first franchise to be established pursuant to this Agreement.

"Managing Owner" has the meaning given to such term in the Initial Franchise Agreement.

"Owner" or *"Owners"* means any individual who directly signs this Agreement or who owns a direct or indirect ownership interest in the area development rights or the entity that is the area developer under this Agreement. "Owner" includes both passive and active owners.

"Permitted Transfer" means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by an Owner who is the Managing Owner that results in the Managing Owner holding less than a 10% ownership interest in the area developer franchise or the Entity that is the area developer franchisee under this Agreement, as applicable; and/or (b) a Transfer to a newly established Entity for which the Owners collectively own and control 100% of the ownership interests and voting power.

"Term" the period of time commencing with the Effective Date of this Agreement and expiring upon the date by which you are required to open the last Academy under the Development Schedule.

"Transfer" means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of this Agreement or the area development rights (or any interest therein), the business conducted by you pursuant to this Agreement, or an ownership interest in an entity that is the area developer under this Agreement, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the entity that is the area developer, or by operation of law, will or a trust upon the death of an Owner of the area developer entity (including the laws of intestate succession).

2. GRANT OF DEVELOPMENT RIGHTS. Subject to the terms and conditions of this Agreement, we hereby grant you the right and obligation to develop each of the Academies referred to in the Development Schedule. Each Academy that you develop pursuant to this Agreement must be located within the Development Territory and at a specific site that we approve in accordance with the terms of the applicable Franchise Agreement. This Agreement does not grant you any rights or licenses to use any of our Intellectual Property.

3. TERRITORIAL PROTECTIONS AND LIMITATIONS. Your Development Territory will be exclusive, meaning that for the duration of the Term, we will not develop or operate, or grant a license to any third party to develop or operate, an Academy that is physically located within the Development Territory other than any Academy that is operating, under development, or for which a franchise agreement has been executed, in each case as of the Effective Date, and that is located, or is to be located within, the Development Territory. We reserve the right to sell, or grant franchises or licenses to third parties to sell, competitive or identical goods or services (including under the Marks) through Alternative Channels of Distribution, irrespective of whether the sales take place in your Development Territory.

4. DEVELOPMENT OBLIGATIONS

4.1. **Development Schedule**. You agree to open each Academy in strict compliance with the time periods set forth in the Development Schedule. You must develop, open and operate each Academy in compliance with all of the terms of the applicable Franchise Agreement. We may, in our sole discretion, extend the time periods listed in the Development Schedule, but only if you can demonstrate to our reasonable satisfaction that you have used your best efforts to comply with your development obligations and the need for additional time is due to unforeseeable delays and not due to your neglect, misconduct or lack of funds. You must open all Academies referred to in the Development Schedule. You acknowledge that the opening date listed in the Development Schedule for a given Academy may be earlier than the opening date required under the terms of the associated Franchise Agreement. In order to comply with the Development Schedule, you must open each Academy by the opening date listed in the Development Schedule even if such date is earlier than the opening date required under the terms of the associated Franchise Agreement.

4.2. **Site Selection**. You must select a specific site within the Development Territory for each Academy in accordance with our then-current site selection criteria set forth in the Manual and the applicable Franchise Agreement. Each site that you select is subject to our prior approval as specified in the applicable Franchise Agreement.

4.3. **Franchise Agreements**. You must sign a separate Franchise Agreement for each Academy. You must sign the Initial Franchise Agreement for your first Academy at the time you sign this Agreement. We will not review or approve a proposed site until you sign the applicable Franchise Agreement for the proposed location. Each Franchise Agreement shall be our then-current form of Seashore Academy Franchise Agreement (modified to reflect there is no additional initial franchise fee owed), the terms and conditions of which may vary materially and substantially from the terms and conditions of the Initial Franchise Agreement You will have no right to develop, open or operate any Academy until you and we have executed the applicable Franchise Agreement and all ancillary agreements for that Academy.

4.4. **Additional Locations**. You have no right to develop any Academy other than the Academies listed in the Development Schedule unless we, in our sole discretion, permit you to enter into a new area development agreement, which will be upon such terms and conditions that we specify, following your development of all Academies listed in the Development Schedule under this Agreement.

5. DEVELOPMENT FEE. At the time you sign this Agreement, you must pay us a development fee in the amount set forth in Part B of ATTACHMENT "A". The development includes the initial franchise fees imposed in connection with each of the Academies you develop under this Agreement. The development fee is fully earned and nonrefundable upon execution of this Agreement.

6. AREA DEVELOPER AS ENTITY. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon our request, you must provide us with a resolution of the entity authorizing the execution of this Agreement, a copy of the entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). You represent that the entity is duly formed and validly existing under the laws of the state of its formation. You may form a separate entity to enter into each Franchise Agreement provided that: (a) the individuals holding the ownership interests (and their percentage interests) in each such entity must be the same individuals holding

ownership interests (with the same percentage interests) in the entity that is the Area Developer under this Agreement; and (b) each such entity guarantees the performance of all other entities formed under the authority of this Section 6.

7. TRANSFERS

7.1. **By Us**. This Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment.

7.2. **By You**. You understand that the rights and duties created by this Agreement are personal to you and your Owners and that we have granted the area development rights in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner may engage in any Transfer (other than a Permitted Transfer) without our prior written approval. Any Transfer (other than a Permitted Transfer) without our approval shall be void and constitute a breach of this Agreement. We will not unreasonably withhold our approval of any proposed Transfer, provided that the following conditions are all satisfied:

(i) the proposed transferee is, in our opinion, an individual or group of individuals of good moral character who have sufficient business experience, aptitude and financial resources to develop, own and operate all of the remaining Academies be develop under this Agreement and otherwise meet all of our then applicable standards for area developer franchisees;

(ii) you and your Owners are in full compliance with the terms of this Agreement, all Franchise Agreements and all other agreements with us or our affiliate;

(iii) all of the owners of the transferee have successfully completed, or made arrangements to attend, the initial training program;

(iv) the transferee and its owners sign our then current form of area development agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term and renewal term(s) shall be the Term remaining under this Agreement; (b) the transferee need not pay a separate development fee; and (c) the Development Schedule and Development Territory shall be the same Development Schedule and Development Territory specified in this Agreement (modified to reflect the development obligations satisfied prior to the transfer);

(v) you or the transferee pay us a $15,000 transfer fee;

(vi) you assign all of your Franchise Agreements to the transferee in accordance with all of the transfer terms and conditions applicable under each such Franchise Agreement (including payment of any transfer fee imposed under each such Franchise Agreement);

(vii) you and your Owners sign a General Release of all claims arising before or contemporaneously with the Transfer;

(viii) we do not elect to exercise our right of first refusal described in Section 7.5; and

(ix) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

You may not: (a) transfer less than your entire remaining area development rights under this Agreement (i.e., you may not retain the right to develop any Academy); or (b) transfer your area development rights to multiple transferees. Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

7.3. **Permitted Transfers.** You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days prior written notice; and (b) upon our request, cause any Entity that was originally the franchisee under this Agreement to sign a corporate guarantee in the format we require in order to secure the performance of the new franchisee Entity's financial obligations under this Agreement and all related agreements. You and the Owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer.

7.4. **Death or Disability of an Owner.** Upon the death or permanent disability of an Owner, the Owner's ownership interest in you or the area development franchise, as applicable, must be assigned to another Owner or to a third party approved by us within 180 days. Any assignment to a third party will be subject to all of the terms and conditions of Section 7.2 unless the assignment qualifies as a Permitted Transfer. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if the person has a medical or mental problem that prevents the person from substantially complying with his or her obligations under this Agreement for a continuous period of at least three (3) months.

7.5. **Our Right of First Refusal.** If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase your remaining area development rights and any Academies to be assigned, or the ownership interest in you, as applicable, for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the Owner, as applicable, must sell the interest to us. We will have at least an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 7.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal in this Section shall not apply to any Permitted Transfer.

8. TERMINATION OF DEVELOPMENT RIGHTS

8.1. **Reasonableness**. You represent that you: (a) have conducted your own independent investigation and analysis of the prospects for the establishment of the Academies within the Development Territory; (b) approve the Development Schedule as being reasonable and viable; and (c) recognize that your failure to achieve the results required by the Development Schedule will constitute a material breach of this Agreement.

8.2. **Termination of Development Rights**. If you fail to comply with any term of this Agreement, we may terminate this Agreement, effective 30 days after giving you written notice of the default, unless you have fully cured the default within such 30-day period. Any such termination will end all of your rights and future development obligations under this Agreement, including without limitation, your interests in the Development Territory and right to open additional Academies. In the event of a termination, you will not be entitled to any refund of the development fee but you will not be obligated to pay the remaining balance of the Discounted Initial Franchise Fee for any Academy with respect to which, as of the effective date of termination of this Agreement, you had not executed a Franchise Agreement.

8.3. **Cross Default**. Our termination of any Franchise Agreement due to your default shall constitute a default under this Agreement permitting us to terminate this Agreement immediately upon notice to you.

9. DISPUTE RESOLUTION. Any dispute between the parties relating to this Agreement shall be resolved pursuant to the dispute resolution provisions set forth in the Initial Franchise Agreement executed concurrently with this Agreement. All such dispute resolution provisions are incorporated herein by reference as if full set forth in this Agreement.

10. YOUR REPRESENTATIONS.

10.1. **Corporate Representations**. You and your Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any other agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets may be bound; (b) violate any order, writ, injunction, decree, judgment or ruling of any governmental authority; or (c) violate any applicable law. If the developer is an Entity, then you and your Owners also jointly and severally represent and warrant to us that: (a) the developer Entity is duly organized, validly existing and in good standing under the laws of the state of its formation and has the requisite power and authority to enter into this Agreement and to perform each of its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement shall constitute the legal, valid and binding obligation of the developer Entity and shall be enforceable against the developer Entity in accordance with its terms.

10.2. **Franchise Compliance Representations**. You and your Owners jointly and severally represent and warrant to us that you received: (a) an exact copy of this Agreement and its attachments, with all material terms filled in, at least seven (7) calendar days before you signed this Agreement; and (b) our Franchise Disclosure Document at the earlier of (i) 14 calendar days before you signed a binding agreement or paid any money to us or our affiliates or (ii) such earlier time in the sales process that you requested a copy.

10.3. **General Representations**. You and your Owners jointly and severally represent and warrant to us that: (a) other area developers may operate under different forms of agreement and our obligations and rights with respect to area developers differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other area developers and we have no obligation to offer you the same or similar negotiated terms or concessions.

11. GENERAL PROVISIONS

11.1. **Governing Law.** This Agreement and the franchise relationship shall be governed by the laws of the State of California (without reference to its principles of conflicts of law), but any law of the State of California that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

11.2. **Severability** . Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable.

11.3. **Waivers.** We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other.

11.4. **Force Majeure.** Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of force majeure. Any delay resulting from an event of force majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances. Notwithstanding the foregoing, "force majeure" will not: (a) relieve you of any payment obligations under this Agreement; or (b) excuse, or apply with respect to, any breaches resulting from an epidemic or pandemic of a contagious illness or disease or resulting from any economic or financial changes caused by such epidemic or pandemic.

11.5. **Binding Effect.** This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

11.6. **Integration.** THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) 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.

11.7. **Covenant of Good Faith**. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (a) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (b) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (c) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (d) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

11.8. **Rights of Parties are Cumulative**. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

11.9. **Survival**. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire.

11.10. **Construction.** The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections

contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

11.11. Time of Essence. Time is of the essence in this Agreement and every term thereof.

11.12. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

11.13. Notice. All notices and statements to be given under this Agreement are to be provided in accordance with the Notice Provision of the Initial Franchise Agreement signed concurrently with this Agreement.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Freedom Learning, LLC, a Wyoming limited liability company

By:_____
Name:_____
Its:_____

YOU (If you are an entity):

_____,
a(n)_____
By:_____
Name:_____
Its:_____

YOU (If you are not an entity):

_____
Name:_____
_____
Name: _____
_____
Name: _____
_____
Name: _____

ATTACHMENT "A"

TO AREA DEVELOPMENT AGREEMENT

DEAL TERMS

A. Area Developer Details.

Name of franchisee: [_____]

Is the franchisee one or more natural persons signing in their individual capacity? **Yes**: _____ **No**: _____

Type of Entity and State of Formation* (if applicable): [_____]

** If the franchisee is a business entity, each natural person holding a direct or indirect ownership interest in the business entity, and spouse of each such person, must sign a Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each natural person holding a direct or indirect ownership interest in the area developer franchise (or the franchisee business entity if applicable) along with a description of their ownership interest.

Owner's Name	% Ownership Interest	Direct or Indirect (if indirect, describe nature of interest)

Notice Address: [_____]

B. Fees.

- The development fee shall be $_____.

C. Development Territory.

The Development Territory shall include the following geographic area:

_____
_____

If the boundaries that define the Development Territory change during the term, the boundaries of your Development Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date.

D. Development Schedule.

You agree to comply with the following minimum development obligations as specified in Section 4 of the Agreement:

DEVELOPMENT PERIOD ENDING	NUMBER OF ACADEMIES OPENED DURING DEVELOPMENT PERIOD	CUMULATIVE NUMBER OF ACADEMIES OPENED AND IN OPERATION
1 year after Effective Date		
2 years after Effective Date		
3 years after Effective Date		
4 years after Effective Date		
5 years after Effective Date		
Total Number of Academies to be Developed: [_____]		

EXHIBIT "E"

TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (Current Franchisees)

The following table lists our franchisees that were open as of December 31, 2022.

FRANCHISEES OPEN AS OF DECEMBER 31, 2022				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
None				

* These franchisees are also area developers that have committed to open multiple franchised businesses under the terms of an area development agreement.

The following table lists our franchisees with signed franchise agreements that were not open as of December 31, 2022.

FRANCHISEES NOT OPEN AS OF DECEMBER 31, 2022				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
California	Manhattan Beach	405 31st Street Hermosa Beach, California 90254	310-780-0334	Adam Barshay and Bobbi Jean Greenseth (Seashore South Bay, LLC)
California	Tustin	227 Stellar Irvine, California 92618	847-401-4782	Tony and Cathy Babayan

* These franchisees are also area developers that have committed to open multiple franchised businesses under the terms of an area development agreement.

Part B (Former Franchisees Who Left System During Prior Fiscal Year)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
None			

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

EXHIBIT "F"

TO DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

[See Attached]

EXHIBIT "F"-1

TO DISCLOSURE DOCUMENT

INTERIM UNAUDITED FINANCIAL STATEMENTS

THESE 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.

Freedom Learning
Balance Sheet
As of May 31, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	6,113.63
Other Current Assets	23,635.02
Total Current Assets	**$ 29,748.65**
Other Assets	41,708.30
TOTAL ASSETS	**$ 71,456.95**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	0.00
Credit Cards	11,668.04
Other Current Liabilities	229,705.18
Total Current Liabilities	**$ 241,373.22**
Long-Term Liabilities	60,287.50
Total Liabilities	**$ 301,660.72**
Total Equity	**-$ 230,203.77**
TOTAL LIABILITIES AND EQUITY	**$ 71,456.95**

Freedom Learning
Profit and Loss
January - May, 2023

	Total	
Income		
Initial Franchise Fees		3,312.50
Total Income	**$**	**3,312.50**
Gross Profit	**$**	**3,312.50**
Expenses		
Advertising & Marketing		4,198.05
Bank fees & service charges		288.86
Books & Office Supplies		142.08
Commission Expense		2,291.70
Consulting Expense		20,000.00
Franchise Development Expense		16,402.99
General business expenses		12,369.70
Insurance		338.22
Legal & Accounting Services		15,702.50
Meals		1,515.89
Office expenses		79.95
Payroll expenses		29,817.58
Supplies		61.72
Taxes paid		26.91
Travel		185.28
Total Expenses	**$**	**103,421.43**
Net Operating Income	**-$**	**100,108.93**
Net Income	**-$**	**100,108.93**

EXHIBIT "F"-2

TO DISCLOSURE DOCUMENT

AUDITED FINANCIAL STATEMENTS

Freedom Learning, LLC

Independent Auditor's Report
And
Financial Statements
December 31, 2022

Table of Contents

Independent Auditor's Report 3
Balance Sheet 5
Statement of Operations 6
Statement of Members' Equity (Deficit) 7
Statement of Cash Flows 8
Notes To Financial Statements 9

Metwally CPA PLLC
CERTIFIED PUBLIC ACCOUNTANT
4500 Mercantile Plaza Dr STE 300, Fort Worth TX 76137
Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the members of
Freedom Learning, LLC
Newport Beach, California

Opinion

We have audited the accompanying financial statements of Freedom Learning, LLC (a Wyoming Limited Liability Company), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, members' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Freedom Learning, LLC as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Metwally CPA PLLC

Metwally CPA PLLC
Fort Worth, Texas
June 22, 2023

Freedom Learning, LLC
Balance Sheet
December 31, 2022

	2022
ASSETS	
Current Assets	
Cash and cash equivalents	$ 54,577
Prepaid expenses	17,938
Deferred commission, current portion	5,500
Due from related party	676
Total Current Assets	**78,691**
Non-Current Assets	
Deferred commission, net of current portion	44,000
Total Non- Current Assets	**44,000**
Total Assets	**$ 122,691**
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	
Current Liabilities	
Accounts payable	$ 4,570
Deferred revenue, current portion	7,950
Due to related party	174,848
Total Current Liabilities	**187,368**
Long-Term Liabilities	
Deferred revenue, net of current portion	63,600
Total Long-Term Liabilities	**63,600**
Total Liabilities	**250,968**
Members' Equity (Deficit)	
Members' equity (deficit)	(128,277)
Total Members' Equity (Deficit)	**(128,277)**
Total Liabilities and Members' Equity (Deficit)	**$ 122,691**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Statement of Operations
Year Ended December 31, 2022

	2022
Revenues	
Initial franchise fees	$ 40,950
Total Revenues	**40,950**
Operating Expenses	
Salaries and wages	61,624
Franchise development	73,794
Commission expense	5,500
Legal and professional	40,875
General and administrative	12,305
Consulting	32,406
Advertising and marketing	11,000
Total Operating Expenses	**237,504**
Net Income (Loss)	**$ (196,554)**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Statement of Members' Equity (Deficit)
Year Ended December 31, 2022

Members' Equity (Deficit) At December 31, 2021	**$ (22,830)**
Members' contributions	125,000
Members' distributions	(33,893)
Net income (loss)	(196,554)
Members' Equity (Deficit) At December 31, 2022	**$ (128,277)**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Statement of Cash Flows
Year Ended December 31, 2022

	2022
Cash Flows From Operating Activities:	
Net income / (loss)	$ (196,554)
Adjustments to reconcile net income to net cash provided by operating activities:	
Change in operating activities	
Change in prepaid expenses	(17,938)
Change in deferred commission	(49,500)
Change in due from related party	(676)
Change in accounts payable	4,570
Change in deferred revenue	71,550
Change in due to related party	151,854
Net Cash Provided By (Used In) Operating Activities	**(36,694)**
Cash Flows From Investing Activities	
Net Cash Flows Provided By (Used In) Investing Activities	-
Cash Flows From Financing Activities	
Members' distributions	(33,893)
Members' contribution	125,000
Net Cash Flows Provided By (Used In) Financing Activities	**91,107**
Net Change In Cash And Cash Equivalent During The Year	**54,413**
Cash - beginning of the year	164
Cash And Cash Equivalent - End of The Year	**$ 54,577**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Notes To Financial Statements
December 31, 2022

1. COMPANY AND NATURE OF OPERATIONS

Freedom Learning, LLC (the "Company") was organized on August 25, 2021, in the state of Wyoming as a Limited Liability Company for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own business. The Company offers qualified individuals the right to operate a private education business under the "Seashore Academy" mark that provides families with both the quality of an elite private education as well as the flexibility and freedom provided to homeschoolers, as families may customize each student's academic schedule to best suit the individual needs of each child.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

B. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents include bank accounts and cash in transit for bank deposit with maturities of three months or less to be cash equivalents.

C. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the period, the total amount on deposit didn't exceed the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

D. Federal Income Taxes

The Company and its members have elected to be treated as a partnership under the provisions of the Internal Revenue Code (IRC). Therefore, any taxable income earned by the Company is included in the individual tax returns of its members. Accordingly, net income presented in the financial statements does not include a provision for income taxes. The net income presented will include state-imposed taxes and fees as applicable.

E. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs and expenses during the reporting period. Actual results could differ significantly from those estimates. Significant estimates include our provisions for bad debts, franchisee rescissions and refunds, and legal estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

F. Debt

The Partnership accounts for debt as current if the debt is due within one year of the balance sheet date or is cancelable or callable. The Partnership accounts for debt as noncurrent if the obligation does not expire or is due within one year.

G. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

Franchise Fees

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilize ASC 606 five-stops revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay a monthly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources: The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period of time using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand-level advertising, marketing, and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable weekly.

Contract Assets and Liabilities

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

H. Advertising

Advertising and brand development costs are charged to operations in the year incurred.

I. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements and determined that it doesn't have any lease that meet the requirement to recognize a right-of-use asset and liability because the Company doesn't have any long-term leases.

3. CASH AND CASH EQUIVALENT

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2022, the Company's cash balance didn't exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents.

As of December 31, 2022, the Company had approximately $54,577 in cash at their operating bank account.

4. RELATED PARTY TRANSACTIONS

Certain operating expenses are incurred by the related party "Seashore Academy" and are allocated to the Company. During the year ended December 31, 2022, the related party allocated $151,854, in expenses to the Company, which was charged to the Company's operations, with the majority of the expenses included in operating and administrative expenses in the accompanying statement of operations.
At December 31, 2022, the Company had a payable to the related party in the amount of $174,848 which resulted from various intercompany transactions. At December 31, 2022, the Company had a receivable from the related party in the amount of $676 which resulted from various intercompany transactions. These amounts are presented in the accompanying balance sheet statement.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Information regarding revenues disaggregated by the timing of when goods and services are transferred consist of the following for the year ended December 31:

	2022
Revenue recognized over time	$40,950
Revenue recognized at a point in time	-
Total Revenue	**$40,950**

Contract Balances

The following table provides information about the change in the franchise deferred expenses balances during the year ended December 31:

	2022
Beginning balance	$-
Additional deferred expenses	55,000
Expenses recognized – additional deferred expenses	(5,500)
Deferred expenses	**49,500**
Less: current maturities	(5,500)
Deferred expenses, net of current maturities	**$44,000**

The following table provides information about the change in the franchise contract liability balances during the year ended December 31, 2022. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	2022
Beginning balance	$-
Additional deferred revenue	112,500
Revenue recognized – additional deferred revenue	(40,950)
Deferred revenue	**71,550**
Less: current maturities	(7,950)
Deferred revenue, net of current maturities	**$63,600**

6. MARKETING AND ADVERTISING

Advertising and marketing costs for the year ended December 31, 2022, were $11,000.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2023, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

OTHER AGREEMENTS

EXHIBIT "G"-1

STATE ADDENDA

[See Attached]

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS,

AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR

Freedom Learning, LLC

BACKGROUND AND PURPOSE

The following modifications are made to the Seashore Academy Franchise Disclosure Document ("FDD" or "Disclosure Document") issued by Freedom Learning, LLC ("we" or "us" or "franchisor") to franchisee ("you" or "franchisee") and may supersede, to the extent required by applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 202__ (the "Franchise Agreement"). When the term "Supplemental Agreements" is used, it means any area development agreement, area representative agreement, master franchise agreement, or similar agreement entered into between us and you, if applicable.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement, Supplemental Agreements and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the applicable state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum (but only the State Addendum for the applicable State) will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the Disclosure Document.

2. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

4. The Franchise Agreement and Supplemental Agreements require binding arbitration. The arbitration will occur in California with the costs being equally borne by the parties.

5. 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 or Supplemental Agreement restricting venue to a forum outside the State of California.

6. The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

7. The Franchise Agreement and Supplemental Agreements may contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

8. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

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

10. You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

11. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT https://dfpi.ca.gov/.

12. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's

investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

HAWAII

1. The following is added to the Cover Page:

   THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

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

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

2. Our registered agent in the state authorized to receive service of process:

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

3. The states in which this filing is effective are listed on the Exhibit to the FDD titled "State Effective Dates".

4. The states in which this filing is or will be shortly on file include the following: _____

5. The states, if any, which have refused, by order or otherwise, to register these franchises include the following: _____

6. The states, if any, which have revoked or suspended the right to offer these franchises include the following: _____

7. The states, if any, in which the filing of these franchises has been withdrawn include the following: _____

ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Disclosure Document and the Franchise Agreement and Supplemental Agreements are amended as follows:

1. Illinois law shall apply to and govern the Franchise Agreement and Supplemental Agreements.

2. In accordance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement and Supplemental Agreements that designated jurisdiction and venue in a forum outside of the State of Illinoi is void. However, the Franchise Agreement and Supplemental Agreements may provide for arbitration to take place outside of Illinois. Therefore, any arbitration proceeding may be brought in California in accordance with the dispute resolution provision set forth in the Franchise Agreement and Supplemental Agreements.

3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

5. The Franchise Agreement and Supplemental Agreements are amended to state the following:

   To the extent that any provision in the Illinois State Addendum is inconsistent with any provision in this Agreement, the provision in the Illinois State Addendum shall control.

6. There is no limit on the cost/amount of remodeling the Franchisor may require as a condition of renewing and transferring your franchise.

See the last page of this Exhibit H-1 for your signature.

INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement and Supplemental Agreements are amended as follows:

1. The laws of the State of Indiana supersede any provisions of the Disclosure Document, Franchise Agreement and Supplemental Agreements if such provisions are in conflict with Indiana law.

2. The Franchise Agreement and Supplemental Agreements are amended to provide that such agreements will be construed in accordance with the laws of the State of Indiana.

3. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement and Supplemental Agreement issued in the State of Indiana.

4. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement or Supplemental Agreement (as applicable), shall supersede the provisions of the Franchise Agreement or Supplemental Agreement (as applicable) in the State of Indiana to the extent they may be inconsistent with such prohibition.

5. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document, the Franchise Agreement and Supplemental Agreements are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

   > Notwithstanding any such termination, and in addition to the obligations of the franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the franchisee nevertheless shall be, continue and remain liable to franchisor for any and all damages which franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the franchisee for the unexpired Term of the Franchise Agreement.
   >
   > At the time of such termination of the Franchise Agreement, the franchisee covenants to pay to franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the franchisee's right to a trial on any of the above matters.

6. No release language set forth in the Disclosure Document or Franchise Agreement or Supplemental Agreement shall relieve franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana. Any provision in the Franchise Agreement or Supplemental Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law"), the Disclosure Document is amended as follows:

1. Item 5 of the Disclosure Document is amended to add the following:

   "Fee Deferral

   Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."

2. Item 17 of the Disclosure Document is amended to add the following:

   a. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply any liability under the Maryland Franchise Registration and Disclosure Law.

   b. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

   c. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

   d. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

3. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

4. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.

5. 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.

MARYLAND ADDENDUM TO
FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Law, the Franchise Agreement is amended to add the following:

1. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

2. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

3. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.

4. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. 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.

6. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

FREEDOM LEARNING, LLC	**[FRANCHISEE]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

MARYLAND ADDENDUM TO
AREA DEVELOPMENT AGREEMENT

In recognition of the requirements of the Maryland Franchise Law, the Area Development Agreement is amended to add the following:

1. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

2. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

3. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.

4. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. 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.

6. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

8. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Area Development Agreement. In the event of any conflict between this Addendum and the Area Development Agreement, the terms and conditions of this Addendum shall apply.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Area Development Agreement.

FREEDOM LEARNING, LLC	**[FRANCHISEE]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

MICHIGAN

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

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

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

(k) 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.

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

(m) 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.

(n) 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.

(o) 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.

(p) 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:

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

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

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

(viii) 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.

(q) 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).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a general release.

2. We will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Supplemental Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statues, chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition, we will comply with the provisions of Minnesota Rule 2860.4400(J), which state that you cannot waive any rights, you cannot consent to our obtaining injunctive relief, we may seek injunctive relief, and a court will determine if a bond if required.

4. We will comply with Minnesota Statute Section 80C.12, Subd. 1(g), which requires that we protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. We will comply with Minnesota Statute Section 80C.17, Subd. 5 regarding limitation of claims.

NEW YORK

In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§680 through 695, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

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

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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 of the Disclosure Document:

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

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

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

   C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

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

   Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership

that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

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

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

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

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

6. The following language replaces the "Summary" section of Item 17(d) of the Disclosure Document, titled **"Termination by franchisee"**:

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

7. The following is added to the end of the "Summary" section of Item 17(j) of the Disclosure Document, titled "**Assignment of contract by franchisor"**:

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

8. The following is added to the end of the "Summary" sections of Item 17(v) of the Disclosure Document, titled "Choice of forum", and Item 17(w) of the Disclosure Document, 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.

9. We will not require that you prospectively assent to a release, assignment, novation, waiver, or estoppel that purports to relieve any person from liability imposed by the New York Franchise Law.

10. We will not place any condition, stipulation, or provision in the Franchise Agreement that requires you to waive compliance with any provision of the New York Franchise Law.

11. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the New York Franchise Law is amended to provide for a three (3) year statute of limitations for purposes of bringing a claim arising under the New York Franchise Law.

12. Notwithstanding the transfer provision in the Franchise Agreement, we will not assign the Franchise Agreement except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law (the "North Dakota Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Covenants not to compete are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Law. Item 17(r) of the Disclosure Document and certain provisions in the Franchise Agreement and Supplemental Agreements include certain covenants restricting competition to which you must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Law. The Disclosure Document, Franchise Agreement and Supplemental Agreements are amended accordingly to the extent required by law.

2. Provisions requiring arbitration or mediation to be held at a location that is remote from the site of the franchisee's business are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the parties must agree on the site where arbitration or mediation will be held.

3. Provisions requiring jurisdiction in a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

4. Provisions requiring that agreements be governed by the laws of a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

5. Provisions requiring your consent to liquidated or termination damages are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

6. Provisions requiring you to sign a general release upon renewal of the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

7. Provisions requiring you to pay all costs and expenses incurred by us in enforcing the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

8. Provisions requiring you to consent to a waiver of trial by jury have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

9. Provisions requiring you to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the statute of limitations under North Dakota Law will apply.

10. Provisions requiring you to consent to a waiver of exemplary and punitive damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Invest Law.

11. You are not required to pay us any fees until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.

RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act (the "Rhode Island Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Rhode Island Franchise Law. This provision does not apply to the settlement of disputes, claims, or civil lawsuits brought under the Rhode Island Franchise Law.

2. Section 19-28.1-14 of the Rhode Island Franchise Law 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." If a claim is enforceable under the Rhode Island Franchise Law, we will not restrict jurisdiction or venue to a forum outside the State of Rhode Island or require the application of the laws of another state.

3. We will not prohibit you from joining a trade association or association of franchisees. We will not retaliate against you for engaging in these activities.

4. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the Rhode Island Franchise Law is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Rhode Island Franchise Law. Notwithstanding the foregoing, if a rescission offer has been approved by the Rhode Island director of business registration, then the statute of limitations is ninety (90) days after your receipt of the rescission offer.

SOUTH DAKOTA

In recognition of the requirements of the South Dakota Franchising Act, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. You are not required to pay us any fees until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.

VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Item 17 of the Disclosure Document is amended to add the following:

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Supplemental 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.

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee/area developer to surrender any right given to him under the applicable agreement.

2. If any provision of the Franchise Agreement or any Supplemental Agreement involves the use of undue influence by the franchisor to induce a franchisee/area developer to surrender any rights given to him under the applicable agreement, that provision may not be enforceable.

3. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Virginia Retail Franchising Act. This provision does not prohibit you and us from entering into binding arbitration consistent with the Virginia Retail Franchising Act.

4. Any provision in the Franchise Agreement or Supplemental Agreement that limits the time period in which you may assert a legal claim against us under the Virginia Retail Franchising Act is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Virginia Retail Franchising Act.

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

WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

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

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

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

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

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

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

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8. The Securities Division has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Securities Division has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from Washington franchisees until we have completed all of our pre-opening obligations and you are open for business. For Washington franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement and Supplement Agreements (if applicable) if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California	☐ Michigan	☐ South Dakota
☐ Hawaii	☐ Minnesota	☐ Virginia
☐ Illinois	☐ New York	☐ Washington
☐ Indiana	☐ North Dakota	☐ Wisconsin
☐ Maryland	☐ Rhode Island	

Dated: _____, 202____

FRANCHISOR:

Freedom Learning, LLC

By: _____

Title: _____

FRANCHISEE:

_____

By: _____

Title: _____

EXHIBIT "H"-2

GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (this "Agreement") is made as of _____, 202__ (the "Effective Date") by _____, a(n) _____ ("you") and each individual holding a direct or indirect ownership interest in you (collectively "Owner") in favor of Freedom Learning, LLC, a Wyoming limited liability company ("us," and together with you and Owner, the "Parties").

Background

A. We signed a Franchise Agreement with you, dated _____, 202____ (the "Franchise Agreement") pursuant to which we granted you the right to own and operate a Seashore Academy;

B. You have notified us of your desire to transfer the Franchise Agreement and all rights related thereto, or an ownership interest in the franchisee entity, to a transferee, [**enter into a successor franchise agreement**] and we have consented to such transfer [**agreed to enter into a successor franchise agreement**]; and

C. As a condition to our consent to the transfer [**your ability to enter into a successor franchise agreement**], you and Owner have agreed to execute this Agreement upon the terms and conditions stated below.

D. In consideration of our consent to the transfer [**our entering into a successor franchise agreement**], and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, you and Owner hereby agree as set forth below.

Agreement

1. Release. Owner, you, and each of your officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them (the "Franchisee Parties"), hereby release, acquit and forever discharge us, any and all of our past and present affiliates, parents, subsidiaries and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its and their respective past and present officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the "Franchisor Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which any of the Franchisee Parties may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, directly or indirectly arising out of or relating to the execution and performance (or lack thereof) of the Franchise Agreement or the offer, sale or acceptance of the franchise related thereto (including, but not limited to any disclosures and representations made in connection therewith). The foregoing release shall not be construed to apply with respect to any obligations contained within this Agreement.

2. California Law. You and Owner hereby express your intention to release all existing claims, whether known or unknown, against the Franchisor Parties. Accordingly, you and Owner hereby waive Section 1542 of the California Civil Code, which provides the following:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

[Section 2 only applies for California franchisees; otherwise it is omitted]

3. Washington Law. This general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[Section 3 only applies for Washington franchisees; otherwise it is omitted]

4. Nondisparagement. Each of the Franchisee Parties expressly covenant and agree not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Franchisor Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor

Parties, the business conducted by any of the Franchisor Parties or the reputation of any of the Franchisor Parties. For purposes of clarity, the obligations in this Section apply to all methods of communications, including the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through social media sites or through any other verbal, digital or electronic method of communication. The obligations in this Section also prohibit the Franchisee Parties from indirectly violating this Section by influencing or encouraging third parties to engage in activities that would constitute a violation of this Section if conducted directly by a Franchisee Party.

5. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, transferred or conveyed, either voluntarily or by operation of law, any of their rights or claims against any of the Franchisor Parties or any of the rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any of the Franchisor Parties any legal proceeding of any kind, including the filing of any claim or complaint with any state or federal court or regulatory agency, alleging any violation of common law, statute, regulation or public policy premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; and (d) the individuals identified as Owners on the signature pages hereto together hold 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].

6. Miscellaneous.

   (a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.

   (b) This Agreement shall be construed and governed by the laws of the State of California.

   (c) In the event that it shall be necessary for any Party to institute legal action to enforce, or for the breach of, any of the terms and conditions or provisions of this Agreement, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

   (d) All of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns.

   (e) This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified except in a writing signed by each of the Parties.

   (f) If one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

   (g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the transactions contemplated hereby.

   (h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

FRANCHISEE:

_____

By: _____
Name: _____
Its: _____

FRANCHISE OWNERS:

_____
Name: _____

_____
Name: _____

_____
Name: _____

EXHIBIT "H"

TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 "I"

TO 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 Freedom Learning, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Freedom Learning, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

Marlene Dandler, 1300 Bristol Street N, Suite 100, Newport Beach, California 92660; (949) 264-3195

_____

_____

Issuance Date: July 27, 2023

Freedom Learning, LLC's agent to receive service of process is listed in EXHIBIT "B" to this Disclosure Document.

I received a Franchise Disclosure Document that included the following Exhibits:

EXHIBIT "A"	List of State Administrators and Agents for Service of Process
EXHIBIT "B"	Agent for Service of Process
EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Area Development Agreement
EXHIBIT "E"	List of Franchisees
EXHIBIT "F"	Financial Statements of Freedom Learning, LLC
EXHIBIT "G"	Other Agreements
EXHIBIT "G"-1	State Addenda
EXHIBIT "G"-2	General Release
EXHIBIT "H"	State Effective Dates
EXHIBIT "I"	Receipts

_____
Print Name

_____
Date

_____
(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Freedom Learning, LLC.)

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 Freedom Learning, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Freedom Learning, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

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EXHIBIT "H"	State Effective Dates
EXHIBIT "I"	Receipts

_____
Print Name

_____ _____
Date (Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Freedom Learning, LLC.)