FRANCHISE DISCLOSURE DOCUMENT

Freedom Learning, LLC
a Wyoming limited liability company
2618 San Miguel Drive, #270
Newport Beach, California 92660
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Website: www.seashoreacademy.org

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. Franchisees may choose between a home-based business where a limited number of students visit the franchisee's home to attend classes (a "Home-Based Academy") or a business operated from a non-residential premises (a "Traditional Academy").

The total investment necessary to begin operation of a Seashore Academy franchise is $21,015 to $38,090 (for a Home-Based Academy) or $47,515 to $208,790 (for a Traditional Academy). This includes $12,490 that must be paid to the franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 2618 San Miguel Drive, #270, 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: April 21, 2025

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 requires 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

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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 we authorize to use our Curriculum, Teaching Methodology and Marks (each defined below).

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 2618 San Miguel Drive, #270, Newport Beach, California 92660. 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.

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. They offer flexible academic scheduling to accommodate the schedules of parents and students.

Seashore Academy classes, which include core subjects as well as various electives and enrichment options, are offered to students ranging from Kindergarten through 8th grade. They are built around our proprietary curriculum (the "Curriculum") and taught using our proprietary teaching and educational methodologies (the "Teaching Methodology").

Our customizable franchise offering allows you to choose the business model that best fits your needs. You may choose to operate your Academy either: (a) as a home-based business where a limited number of students visit your home to attend classes (a "Home-Based Academy"); or (b) from a non-residential premises that can accommodate a larger number of students (a "Traditional Academy"). A Traditional Academy can be operated either from: (a) a dedicated commercial facility that you own or lease; or (b) a church, synagogue, YMCA or other community facility that grants you permission to use the premises on a temporary basis. You may also choose between operating your Academy under: (a) the name SEASHORE ACADEMY®; or (b) a different name that you select and we approve (in which case you must list your business name in conjunction with the tagline "A SEASHORE ACADEMY® Certified Education Center"). In addition to Fall and Spring sessions (September to June), you have the option (but not the obligation) to offer Summer Camp sessions.

You must sign the form of franchise agreement attached to this Disclosure Document as EXHIBIT "C" (the "Franchise Agreement"). We refer to the franchised business you purchase as your "Business" or your "Academy". The Franchise Agreement grants you a license to use certain service marks, trademarks, trade names, logos and taglines, including SEASHORE ACADEMY® and the related logo (collectively, the "Marks"). The Marks also include any distinctive trade dress used to identify a Seashore Academy. The Franchise Agreement also grants you a license to use our Curriculum and Teaching Methodology. Our confidential Brand Standards Manual (the "Manual") describes the operational aspects of a Seashore Academy. You will operate your Academy as an independent business using the Curriculum, Teaching Methodology, Marks and information in the Manual, as well as the support, guidance, tools and other methods and materials we provide.

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. Franchisees 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 Academy, 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. At this time, 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).

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

You pay us a nonrefundable $11,995 initial franchise fee at the time you sign the Franchise Agreement. The initial franchise fee is uniformly imposed except for the discounts listed below:

Type of Discount*	Discount	Qualifications for Discount
Veterans Discount	10% discount	Person holding at least a 50% interest in the franchise is an honorably discharged veteran of any branch of the United States military and provides Form DD-214.
Manager / Teacher Discount	15% discount	Person holding at least a 50% interest in the franchise was a manager or teacher at a Seashore Academy for 2 years.
Multi-Unit Discount	15% discount (does not apply to 1st Academy)	Person holding at least a 50% interest in the franchise is an existing franchisee who (a) is purchasing an additional Academy and (b) is in compliance with all previously executed Franchise Agreements.

* Discounts may not be combined for a single Academy. If multiple discounts apply to the same Academy being purchased, you receive the discount resulting in the lowest total initial franchise fee.

Technology Fee

We may require you to pay us a technology fee for software, technology and related services that we provide. We currently charge a technology fee of $495 per year, which covers: (a) a local microsite we provide for your Academy; and (b) your gmail account. You pay us the 1st annual installment on the date you sign the Franchise Agreement. The technology fee is uniformly imposed and nonrefundable.

ITEM 6 OTHER FEES

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Enrollment Fee	$1,995 per student per year	Date of enrollment & each anniversary of enrollment date	Fee includes access to our Curriculum and the Seashore Student Management Platform. It also includes billing services, which we provide. The 1st annual fee is due at time student enrolls. The annual fee is not nonrefundable even if the student cancels enrollment before the end of the year.

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Brand Fund Fee	Up to 2% of Gross Revenue (currently 1%)	5th day of month	You must contribute this amount to the Brand Fund we administer. You have no voting rights pertaining to the administration of the Brand Fund, the creation or placement of advertising, or the amount of the brand fund fee.
Local Marketing Commitment	Up to $300 per month (waived for any time period during which you plan to enroll only your own children in a Home-Based Academy)	Monthly, as incurred	This is the minimum amount you must spend on local advertising and marketing (the "Local Marketing Commitment"). This expenditure is in addition to your Brand Fund Fee. We may reduce or waive the Local Marketing Commitment at any time that student enrollment at your Academy is at least 90% of your maximum enrollment capacity.
Training or Assistance Fee	Up to $450 per person per day (plus Travel Expenses for onsite training)	10 days after invoice	Payable for each person who attends (a) initial training after you open (new Managing Owner or manager), (b) repeat training (after failing a prior attempt), (c) refresher or supplemental training, (d) remedial training or (e) additional training you request. Also payable if you request special assistance beyond what we are required to provide. You must also reimburse us for Travel Expenses we incur for training onsite at your Academy.
Conference Registration Fee	Up to $500 per person per conference (not currently charged)	10 days after invoice	We may hold conferences to discuss matters affecting franchisees. Attendance is mandatory unless (a) we designate attendance as optional or (b) we waive your obligation to attend based on showing of good cause. If you fail to attend a required conference without a waiver, you must pay us the conference registration fee despite your non-attendance (we will provide you with a copy of written materials distributed at the conference).
Technology Fee	Up to $750 per year (currently $495 per year for website and gmail account)	Paid annually, but subject to change (1st payment due on effective date of the Franchise Agreement; subsequent payments due each anniversary of effective date)	This fee includes all amounts you pay us and 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. It may also include a reasonable administrative fee for managing the technology platform and negotiating / managing relationships with third-party licensors. It does not include any amounts you pay directly to third-party suppliers.
Product Purchases	Varies depending on item purchased	10 days after invoice	We or our affiliate may serve as a supplier for certain goods or services you must purchase. If this occurs, we will provide you with a price list upon request.
New Product or Supplier Testing	Cost of testing (estimate of $25 - $250 per test)	10 days after invoice	This covers the costs of testing new products or inspecting new suppliers you propose.
Relocation Fee	$2,500	At time we approve relocation request	Imposed if we approve your request to relocate your Academy to a new site (applies to Home-Based Academies and Traditional Academies).
Renewal Fee	$995	At time you sign Renewal Agreement	None.

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Transfer Fee	$2,500	Before Transfer	No transfer fee for Permitted Transfers. You pay the transfer fee for all other Transfers. If our broker finds the buyer, you must also reimburse us for all commissions we pay the broker.
Reinspection Cost Reimbursement	All Travel Expenses and other costs we incur to inspect your Academy, including time and materials	10 days after invoice	Imposed if we inspect your Academy to determine if you remedied a (a) health or safety issue identified by a government agency or (b) breach of system standards we bring to your attention.
Management Fee	Up to $1,500 per day plus Travel Expenses	10 days after invoice	If you fail to timely cure a default under the Franchise Agreement or the Managing Owner dies, we can designate a person to manage your Academy until the default is cured or you replace the Managing Owner.
Noncompliance fee	Up to $150 per incident	Upon demand	Imposed 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 $150 fee every 48 hours the noncompliance issue remains uncured after we impose the initial fee. We will deposit these fees into the Brand Fund (once established).
Default Reimbursements	All costs we incur to cure your default	10 days after invoice	If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf and you must reimburse us for our costs (examples include failure to pay suppliers, maintain insurance or meet quality standards).
Audit Fee	Actual cost of audit, including Travel Expenses for audit team	10 days after invoice	Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated amounts owed to us by 2% or more.
Late Fee	Default interest at lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law	10 days after invoice	If our debit of your account is rejected or your check to us is returned for insufficient funds, we may charge (in addition to the late fee) an NSF fee of $75 per incident. In California, default interest is limited to 10% per annum.
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	Amount of our damages, losses or expenses	10 days after invoice	You must indemnify and reimburse us for all damages, losses or expenses we incur due to the operation of your Academy or your breach of the Franchise Agreement.
Attorneys' Fees and Costs	Amount of attorneys' fees and costs we incur	Upon demand	You must reimburse us for all attorneys' fees and costs we incur relating to your breach of the Franchise Agreement or any related agreement.
Liquidated Damages	Varies (See Note 4)	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. Nature and Manner of Payment: All fees are imposed by and payable to us except you spend the Local Marketing Commitment directly with third-party suppliers. All fees are nonrefundable and uniformly imposed. You must sign an ACH Authorization Form (attached to the Franchise Agreement as ATTACHMENT "D") permitting us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than fees due less than 15 days after signing the Franchise Agreement). You must deposit all Gross Revenue into the bank account and ensure sufficient funds are available for withdrawal before each due date. You are responsible for all taxes imposed on you or us based on products, intangible property (including trademarks) or services we provide to you.

2. Definitions: The following capitalized terms have the meanings given to them below:

   "***Brand Fund***" means the brand and system development fund we intend to administer to promote public recognition of our brand and improve our Curriculum, Teaching Methodology and Technology Systems. We intend to establish the Brand Fund effective as of the opening date of our first franchisee. It has not been established as of the date of this Disclosure Document.

   "***Gross Revenue***" 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 Revenue also includes all other sums you collect relating to your Business including advertising revenue, sponsorship fees and business interruption insurance proceeds. Gross Revenue includes the full retail value of any free or discounted goods or services you provide (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 Revenue excludes: (a) sales or use taxes; (b) amounts refunded to customers; and (c) revenue from the sale of furniture, fixtures and equipment in the ordinary course of business.

   "***Managing Owner***" means the owner you appoint and we approve with primary responsibility for the overall management and operation of your Academy.

   "***Permitted Transfer***" means: (a) a Transfer from one owner to another owner who was an approved owner prior to the Transfer (other than a Transfer that results in the Managing Owner owning less than 10% of the franchised business); and/or (b) a Transfer to a newly established business entity with respect to which the transferring owners collectively own and control 100% of the ownership interests.

   "***Technology Systems***" means all information and communication technology systems that we designate, including computer systems, point-of-sale systems, learning management systems, curriculum distribution systems, 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.

   "***Transfer***" means a transfer or assignment of: (a) the Franchise Agreement (or any interest in the Franchise Agreement); (b) the Academy's assets (other than the sale of fixtures or equipment in the ordinary course of business); (c) any ownership interest in the entity that is the "franchisee"; or (d) the franchised business you conduct under the Franchise Agreement.

   "***Travel Expenses***" means all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Academy; or (b) by you or your personnel to attend training programs or conferences.

3. CPI Adjustments: All fees (and minimum fees) expressed as a fixed dollar amount are subject to adjustment based on changes to the Consumer Price Index in the United States (CPI). We may periodically review and increase these fees based on changes to CPI, but only if the increase to CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will

notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We may implement no more than 1 fee adjustment during any 5-year period.

4. Liquidated Damages: You must pay us liquidated damages if: (a) we terminate the Franchise Agreement due to your default; or (b) you terminate the Franchise Agreement prior to its expiration date (except in accordance with the provisions governing your right to terminate following our uncured breach). Liquidated damages are calculated as the greater of: (a) $30,000; or (b) Average Monthly Fees multiplied by the lesser of: (a) 36; or (b) the total number of months remaining under the term. "Average Monthly Fees" means:

   (i) the total amount of Enrollment Fees and Brand Fund Fees imposed during the 12-month period preceding termination, divided by 12 (if your Business was open at least 12 full months prior to termination); or

   (ii) the total amount of Enrollment Fees and Brand Fund Fees imposed between your opening date and the termination date, divided by the total number of months between your opening date and the termination date (if your Business was open less than 12 full months prior to termination).

   If you pay us liquidated damages in a timely manner, we may not pursue a claim against you for lost profits attributable to fees and revenue we would have received after termination if the Franchise Agreement had not been terminated. However, payment of liquidated damages does not prevent us from seeking other damages we incur due to your breach.

ITEM 7 ESTIMATED INITIAL INVESTMENT

Table A – Estimated initial investment for a Traditional Academy.

YOUR ESTIMATED INITIAL INVESTMENT (TRADITIONAL ACADEMY)				
TYPE OF EXPENDITURE [1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	$11,995	Lump sum	At time you sign Franchise Agreement	Us
Annual Technology Fee (1st installment)	$495	Lump sum	At time you sign Franchise Agreement	Us
Training Expenses [2]	Not Applicable – All Training Conducted Virtually			
Lease Deposit & 3 Months' Rent [3]	$10,000 to $60,000	Lump sum	Monthly (with security deposit paid before opening)	Landlord
Renovations [4]	$0 to $15,000	As incurred	Before opening	Contractor & suppliers
Signage [5]	$0 to $2,000	Lump sum	Before opening	Suppliers
Computer System [6]	$600 to $1,500	Lump sum	Before opening	Suppliers
Classroom Supplies [7]	$1,500 to $5,000	Lump sum	Before opening	Suppliers
Furniture [8]	$5,000 to $15,000	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
Insurance [10]	$375 to $1,250	Lump sum	Before opening	Insurance companies
Additional Funds [11] (3 months)	$15,000 to $90,000	As incurred	As incurred	Suppliers, employees & us
Total Estimated Initial Investment [12]	$47,515 to $208,790			

Table B: Estimated initial investment for a Home-Based Academy.

YOUR ESTIMATED INITIAL INVESTMENT (HOME-BASED ACADEMY)				
TYPE OF EXPENDITURE [1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	$11,995	Lump sum	At time you sign Franchise Agreement	Us
Annual Technology Fee (1st installment)	$495	Lump sum	At time you sign Franchise Agreement	Us
Training Expenses [2]	Not Applicable – All Training Conducted Virtually			
Real Estate	Not Applicable for Home-Based Academy			
Computer System [6]	$300 to $500	Lump sum	Before opening	Suppliers
Classroom Supplies [7]	$300 to $1,000	Lump sum	Before opening	Suppliers
Furniture [8]	$0 to $1,500	As incurred	Before opening	Suppliers
Preopening Advertising [9]	$1,000 to $3,000	As incurred	60 days before opening	Suppliers
Licenses & Permits	$50 to $350	Lump sum	Before opening	Government agencies
Professional Fees	$1,500 to $3,000	Lump sum	Before opening	Lawyers & accountants
Insurance [10]	$375 to $1,250	Lump sum	Before opening	Insurance companies
Additional Funds [11] (3 months)	$5,000 to $15,000	As incurred	As incurred	Suppliers, employees & us
Total Estimated Initial Investment [12]	$21,015 to $38,090			

Notes:

1. Financing and Refunds: We do not offer direct or indirect financing. No amounts paid to us are refundable. We are not aware of any amounts paid to third-party suppliers that are refundable. However if you operate a Traditional Academy and lease commercial space, your landlord may refund your security deposit at the end of the lease if you do not damage the property or default.

2. Training Expenses: Our current initial training program is conducted virtually. You are not required to send your owners or employees to our corporate headquarters or a company-owned Academy for training.

3. Real Estate: A Traditional Academy can be operated from a dedicated commercial facility that you own or lease or from a premises you are authorized to use on a temporary basis (for example, churches, synagogues, YMCAs, or other community facilities). This estimate assumes you 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 Traditional Academies 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 estimate is based on our 10,000 square foot facility located in Newport Beach, California. 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 amount shown in the table above includes 1 month's security plus 3 months' rent. Some franchisees may choose to purchase the real estate. The cost to purchase real estate varies so widely that we cannot reasonably estimate the cost. If you secure the right to operate your Academy from the premises of a community-based organization without any rental fee, your initial investment may be lower.

4. Renovations: We anticipate most franchisees will not need to complete any significant remodeling or structural renovations to the facility for a Traditional Academy. 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). The low estimate assumes no additional work is required.

5. Signage: If you develop a Traditional Academy, you have the option, but not the obligation, to purchase install exterior signage. In some instances, exterior signage may be prohibited due to applicable zoning or use restrictions. The low estimate assumes you choose not to install exterior signage.

6. Computer System: This includes your initial cost to purchase and set up your computer system. Each teacher must have a Chromebook. The current estimated cost of a Chromebook meeting our specifications ranges from $300 to $500. If you operate a Home-Based Academy, we estimate you will need 1 Chromebook. If you operate a Traditional Academy, we estimate you will need 2 to 3 Chromebooks when you launch your Academy (but the number of required Chromebooks may increase as you add teachers to accommodate a growing number enrolled students).

7. Classroom Supplies: This includes the cost of school supplies (i.e., paper, pencils, dry erase boards, books, etc.) you must purchase. The cost varies depending on the number of students you expect to enroll.

8. Furniture: This includes the cost to purchase tables, chairs and desks. The amount varies depending on the size of your facility and the number of students you expect to enroll. If you operate a Home-Based Academy, you may already have suitable furniture to accommodate the students.

9. Preopening Advertising: You must spend a minimum of $500 per month on preopening marketing and advertising (primarily social media ads) during the 60-day period prior to opening. You may choose to spend more. We waive this required expenditure if you operate a Home-Based Academy and plan to limit enrollment to your own children the first semester.

10. Insurance: This estimate includes 3 months of insurance premium. Insurance premiums may vary based on the number of students enrolled in your Academy and the number of teachers you hire. Item 8 includes a description of the insurance policies you must purchase and maintain.

11. Additional Funds: This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you), marketing and advertising expenses, technology fees, inventory replenishment costs and other miscellaneous expenses and required working capital. Your initial 3 months of rent (if applicable) and insurance premium are separately stated in the tables above. These figures are estimates based on the experience of our management team in developing, opening and operating 3 company-owned Traditional Academies in Southern California.

12. Budget and Initial Investment Report: We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the development, opening and operation of your Academy. Within 60 days after your opening date, you must send us a report, in the form we designate, listing the expenses you incur to develop and open your Academy. We may use this data to update the initial investment estimate in future versions of our Franchise Disclosure Document.

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 Academy. 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 supplier list. We notify you of changes to our specifications and suppliers by email, updates to the Manual or other means of communication.

Supplier Criteria

Our criteria for evaluating suppliers include:

- 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, production capabilities, reputation and financial strength 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 wish to purchase or lease a source-restricted item from a non-approved supplier, you must send us: (a) a written request for approval; (b) product samples for testing purposes; and (c) all additional information we request. The supplier must agree to comply with our minimum insurance, indemnification and confidentiality requirements for system suppliers and allow us to periodically inspect their facility. We will notify you of our decision within 30 days after we receive all required information and product samples. We may periodically reinspect approved products and suppliers and revoke our approval if a product or supplier fails to meet our then-current criteria. You must reimburse all costs we incur to evaluate products and suppliers you propose.

Current Source-restricted Items

We estimate that 20% to 40% 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.

Computer System

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

Signage

If you operate a Traditional Academy and choose to install SEASHORE ACADEMY® signage, the signage must meet our standards and specifications and must be purchased from a designated or approved supplier.

Operating Supplies

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

Marketing Materials and Website

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 bearing our Marks only from suppliers we designate or approve. You must purchase your website exclusively from us.

Insurance Policies

You must obtain the insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A or better by AM Best, including the following:

Policy Type	Minimum Coverage
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 (only required if you transport students)	$1,000,000 per occurrence and $1,000,000 in the aggregate

Policy Type	Minimum Coverage
Sexual Abuse/Molestation Insurance	$100,000 per occurrence and $300,000 in the aggregate
Commercial Umbrella Insurance	$2,000,000 per occurrence and $2,000,000 in the aggregate (if you do not transport students)
	$5,000,000 per occurrence and $5,000,000 in the aggregate (if you transport students)
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 (excluding worker's compensation insurance); (b) waive all subrogation rights against us; and (c) provide us with at least 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

Purchase Agreements

We may attempt to negotiate purchase agreements with suppliers, including favorable pricing terms, for the benefit of our franchisees. If we succeed, you may purchase these goods or services at the discounted prices we negotiate (less any rebates or other consideration paid to us). We do not have any negotiated purchase agreements in effect at this time.

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 but we may 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 Revenue from Source-restricted Purchases

We are the exclusive licensor of: (a) the Seashore Student Management Platform; (b) your gmail account; and (c) the website for your Academy. However, we license these items from third-party licensors and sublicense them to you. We provide access to the Seashore Student Management Platform in exchange for the Enrollment Fees. We provide your gmail account and website in exchange for the annual technology fee. We may designate ourselves or an affiliate as an approved or designated supplier or other goods or services in the future. We may generate a profit from these purchases and licenses.

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 own 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 do not have any relationships with suppliers involving rebates or other consideration paid to us based on franchisee purchases.

During the fiscal year ended December 31, 2024, 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 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	7.1	Item 7 & Item 11
b. Pre-opening purchases/leases	7.2, 11.7 & 15.1	Item 7, Item 8 & Item 11
c. Site development and other pre-opening requirements	7	Item 6, Item 7 & Item 11
d. Initial and ongoing training	5	Item 6 & Item 11
e. Opening	7.3	Item 11
f. Fees	4.2, 5.4, 5.5, 6.3, 6.7, 6.8, 8.4, 10.1, 11.7, 11.9, 11.13, 13, 15.1, 16, 19.2 & 21.2	Item 5 & Item 6
g. Compliance with standards and policies/Operating Manual	6.1, 10.3, 11 & 17.1	Item 11
h. Trademarks and proprietary information	17	Item 13 & Item 14
i. Restrictions on products/services offered	11.3	Item 16
j. Warranty and client service requirements	11.12	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	11.7	Item 8
m. Maintenance, appearance and remodeling requirements	11.8 & 11.10	Item 11
n. Insurance	15.1	Item 6 & Item 7 & Item 8
o. Advertising	10	Item 6, Item 7 & Item 11
p. Indemnification	18	Item 6
q. Owner's participation/ management/staffing	8	Item 11 & Item 15
r. Records/reports	15.2 & 15.3	Item 6
s. Inspections/audits	16	Item 6 & Item 11
t. Transfer	19	Item 17
u. Renewal	4	Item 17
v. Post termination obligations	21	Item 17
w. Non-competition covenants	14	Item 17
x. Dispute resolution	22	Item 17

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	9 & ATTACHMENT "C"	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. The Manual is confidential and remains our property. Upon your request, we will allow you to review the Manual prior to purchasing the franchise. (§6.1, 11.2 & 24.8)
2. Approve the site for your Academy, as discussed below under "Site Development". (§7.1)
3. Provide our written specifications for goods and services you must purchase to develop, equip and operate your Academy and a list of suppliers. We do not deliver or install any items you purchase. (§11.2)
4. Provide an initial training program, as discussed below under "Training Program". (§5.1)

During the operation of your Academy, we will:

1. License you the right to use the Seashore Student Management Platform, as discussed below under "Computer System". (§6.3)
2. Provide access to our proprietary Curriculum and Teaching Methodology. (§6.2, 11.2 & 11.3)
3. Provide our guidance and recommendations to improve the operation of your Academy. (§6.4)
4. Provide periodic training programs, as discussed below under "Training Program". (§5.2)
5. Maintain a corporate website to promote our brand and a microsite to promote your Academy, which may be linked to our corporate website, as discussed below under "Advertising and Marketing". (§6.7 & 10.3(e))
6. Establish and administer the Brand Fund, as discussed below under "Advertising and Marketing". (§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. (§11.4)
8. Provide our suggested pricing model. You may deviate from our suggested pricing model at your discretion. However, to the extent permitted by applicable law, we may set maximum or minimum prices on the goods and services you sell. (§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. (§6.5)
2. Negotiate purchase agreements with suppliers to obtain favorable pricing. We may also purchase items in

bulk and resell them to you at our cost plus shipping and a reasonable markup. (§6.8)

3. Host periodic conferences to discuss relevant topics such as industry changes, changes to our Curriculum or Teaching Methodology, or new classes, technology or marketing strategies. (§5.5)

4. Create a franchise advisory council, as discussed below under "Advisory Council". (§12)

5. Provide additional training or assistance you request, as discussed below under "Training Program". (§5.2)

Training Program (§5)

Initial Training Program

We will provide an initial training program for up to 4 people. Your Managing Owner and designated manager (if any) 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).

Our current initial training program is conducted remotely via online training. The format for training may include conference calls, webinars, pre-recorded videos and other online training resources. The training materials primarily consist of the Manual. We do not charge you for training materials. We can modify the training program at our discretion based on our subjective assessment of the skills, abilities and prior experience of your Managing Owner and management personnel. Currently, we intend to offer initial training on a quarterly basis, assuming sufficient demand. The initial training program currently consists of the following:

TRAINING PROGRAM

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

Ongoing Training Programs

From time to time, we may require that your Managing Owner and management personnel attend system-wide refresher or supplemental training courses. Any new Managing Owner or manager you appoint or hire must 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 the Manual, we may require that your Managing Owner and management personnel attend remedial training relevant to the operational deficiencies we observed. You may also request that we provide additional training (either at corporate headquarters or at your Academy). We are not required to provide additional training you request.

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 14 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.

Training Fees and Costs

We provide our preopening initial training program at no additional charge. We may charge you a training fee of up to $450 per person per day for each person who attends: (a) initial training after you open (such as a new Managing Owner or manager); (b) retraining (after failing a prior attempt); (c) remedial training; (d) additional training you request; or (e) refresher or supplemental training. If we agree to provide onsite training or assistance, you must also reimburse us for all Travel Expenses we incur. You are responsible for all wages and Travel Expenses (if applicable) that you and your trainees incur for training.

Site Development (§7.1 & 11.10)

A Home-Based Academy is operated from the franchisee's home. A Traditional Academy can be operated either from: (a) a dedicated commercial facility owned or leased by the franchisee; or (b) a church, synagogue, YMCA or other community facility that grants the franchisee permission to use the premises on a temporary basis. Traditional Academies typically range 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. You must identify and obtain our approval of the site for your Academy within 120 days after signing the Franchise Agreement. We may terminate your Franchise Agreement if you fail to meet this deadline.

Your Academy must be located within the Site Selection Area identified in Part E of ATTACHMENT "A" to the Franchise Agreement. You must send us photos of the proposed site and we may require a virtual inspection. We do not have any standards or specifications for the site other than it must be suitable for teaching children in a safe and healthy environment. At this time, we do not consider any other factors in evaluating sites.

We try to approve or disapprove sites you propose 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 your site before signing the Franchise Agreement, we will list the address in Part F of ATTACHMENT "A" to the Franchise Agreement. Otherwise, we will list the address of your approved site in a Site Approval Notice that we send to you after approving your site. If you elect to acquire a Home-Based Academy, we must approve the site (i.e., your home) before signing the Franchise Agreement.

After obtaining our approval of the site for your Academy, you must purchase (or lease) and install all Technology Systems, equipment and other items we require. In most cases, we do not expect franchisees will need to complete any remodeling or structural renovation of the premises for an Academy. However, if you operate a Traditional Academy, your facility may require minor renovations and upgrades, such as replacing the carpet and repainting the interior and/or exterior of the facility. We will not require you to remodel your facility during the term of the Franchise Agreement.

If you intend to operate a Traditional Academy from leased commercial space, you do not need our approval of your lease. We do not review leases or assist with lease negotiations.

Opening Requirements (§7.3)

We expect most franchisees will open (a) between 1 and 3 months after signing the Franchise Agreement (for Home-Based Academies) or (b) between 3 and 6 months after signing the Franchise Agreement (for Traditional Academies). Factors that may affect this time include:

- whether you operate a Home-Based Academy or a Traditional Academy
- the amount of time needed to find an approved site
- protracted lease negotiations with your landlord

- the amount of time needed to secure financing, insurance, licenses and permits
- the condition of your building and extent of required upgrades, remodeling and renovations
- construction delays due to labor or materials shortages, inclement weather or other reasons
- delayed delivery or installation of equipment and fixtures
- the amount of time needed to comply with zoning requirements and other laws and regulations
- the amount of time needed to complete training
- the amount of time needed to hire and train your teachers

Advertising and Marketing (§10)

You must participate at your own expense in all advertising, promotional and marketing programs we require. You are not required to participate in an advertising cooperative.

We provide the advertising and marketing support discussed below. Our company-owned Academies will pay brand fund fees on the same basis as franchisees. We have no further obligation to expend our own funds on marketing and advertising in your area. There is currently no franchisee advertising council that advises us on marketing and advertising matters.

Local Marketing By You

You must spend a minimum of $500 per month on preopening marketing and advertising (primarily social media ads) during the 60-day period prior to opening. We waive this required expenditure if you operate a Home-Based Academy and plan to limit enrollment to your own children the first semester. After opening, you must spend a minimum monthly amount equal to your Local Marketing Commitment on local advertising. The Local Marketing Commitment is $300 per month. We 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 are deemed in compliance even if your expenditure in any given month is less than your Local Marketing Commitment. We may reduce or waive the Local Marketing Commitment at any time that student enrollment at your Academy is at least 90% of your maximum enrollment capacity. We will also waive the Local Marketing Commitment for any time period during which you plan to enroll only your own children in a Home-Based Academy.

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 provide online access to these materials, in which case you must print the materials at your expense. We may also contract with third-party suppliers to create advertising or marketing materials that you may purchase.

You may also develop your own advertising and marketing materials and programs but we must approve them prior to use. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved. We have 15 days to review and approve or disapprove advertising and marketing materials and programs you submit for approval. Our failure to approve them within the 15-day period constitutes our disapproval.

Websites, Social Media and Digital Advertising

We will maintain a corporate website to promote our brand. We will also create and host a local microsite to promote your Academy, which will be linked to our corporate website. Your microsite will list certain information about your Academy we deem appropriate. Your microsite will also facilitate student enrollment, online payments, and other functions we deemed appropriate. We can modify or discontinue our website and/or your microsite at any time.

Except for the microsite we provide, you may not: (a) develop, host, or otherwise maintain a website or other

digital presence relating to your Academy (including any website bearing any of our Marks); (b) utilize the Internet to conduct digital or online advertising; or (c) engage in ecommerce. However, we do permit 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 social media policy, as revised from time to time
- you must immediately remove any post we disapprove
- we may require that you contract with and utilize a social media company we designate
- you must provide us with full administrative rights to your social media accounts
- we must retain ownership of all social media accounts relating to your Academy

Brand and System Development Fund

We may, but need not, establish and administer the Brand Fund to promote public awareness of our brand and improve our Curriculum and Teaching Methodology. We may use the Brand Fund to pay for any of the following in our discretion:

- developing, distributing or administering advertising and marketing materials and programs
- conducting and administering promotions, contests or giveaways
- public and consumer relations and publicity
- brand development
- sponsorships and charitable and nonprofit donations and events
- research and development of technology, products and services
- website development and search engine optimization
- development, maintenance and promotion of an ecommerce platform
- development and implementation of quality control programs
- conducting market research
- reimbursing us for costs we incur to host franchisee conferences
- changes and improvements to the System
- fees and expenses charged by advertising agencies we engage to provide marketing services
- collecting and accounting for brand fund fees and preparing financial accountings of the Brand Fund
- any other programs or activities we deem appropriate to promote or improve the System reimbursing us for administrative, overhead and other expenses we incur to administer the Brand Fund, including compensation paid to our personnel for time spent working on Brand Fund matters

We direct and have complete control and discretion over all advertising programs paid for by the Brand 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 consist of social media marketing. The Brand 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 pages on our website may promote the franchise opportunity.

You must pay the brand fund fee we specify from time to time (not to exceed 2% of Gross Revenue – currently 1% of Gross Revenue). We deposit all brand fund fees and noncompliance fees (but only noncompliance fees collected after Brand Fund formation) into the Brand Fund. Company-owned Academies contribute to the Brand Fund on the same basis as our franchisees. However, if we modify the amount or timing of required contributions, any company-owned Academy established or acquired after the modification may contribute to the Brand Fund utilizing the modified amount or timing.

All monies deposited into the Brand 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 may be invested and we may lend money if there is a deficit. An unaudited financial accounting of Brand Fund contributions and expenditures will be prepared annually and made available to you upon request. During the fiscal year ended December 31, 2024 we did not collect or spend any monies from the Brand Fund.

The Brand Fund is not a trust. We have no fiduciary obligations or liability to you with respect to our administration of the Brand Fund. Once established, we may discontinue the Brand Fund on 30 days' notice.

Advisory Council (§12)

We may, but need not, create a franchise advisory council to provide us with suggestions to improve Academies, including matters such as curriculum development, teaching materials, marketing, technology or operations. 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.

Computer System (§6.3, 6.7, 11.8, 11.9, 15.3 & 16.1)

Required Components

You must purchase and use all Technology Systems we designate. One important component of our Technology Systems is your "computer system", which consists of the Seashore Student Management Platform and 1 Chromebook per staff member. We estimate most franchisees will need, at the time of opening, 1 Chromebook (for a Home-Based Academy) or 2 to 3 Chromebooks (for a Traditional Academy). 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 Academy. If we do so, you must exclusively use the email address(es) we provide for all communications with us, students, parents, suppliers and other persons relating to your Business. You may not use them for any purpose unrelated to your Academy. 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 employees
- preparing business and financial reports
- communicating through email

Fees and Costs

We estimate the initial cost of your computer system will range from $600 to $1,500 (for a Traditional Academy) or $300 to $500 (for a Home-Based Academy). The cost varies depending on the number of your teachers. Each teacher requires 1 Chromebook. We estimate each Chromebook will cost between $300 and $500.

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 an annual technology fee of $495 per year, which includes your gmail account and microsite. We provide access to the Seashore Student Management Platform in exchange for the Enrollment Fees you pay to us.

COMPUTER SYSTEM – ONGOING FEES AND COSTS		
Item	**Fee (Annual)**	**To Whom Paid?**
Microsite and Gmail	$495	Us
Seashore Student Management Platform	$1,995 per student	Us

Maintenance, Support, Updates and Upgrades

In exchange for the fees listed in the table above, we and/or 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.

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 the computer system in good condition at your cost. We may require that you upgrade, update or otherwise change your computer system and other Technology Systems to conform to our then-current specifications. There is no contractual limitation on the frequency or cost of these updates, upgrades or changes.

ITEM 12 TERRITORY

Location of Your Academy

The Franchise Agreement grants you the right to operate one Academy from a site we approve. You must identify a site for your Academy within the Site Selection Area described in 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 a new site for your new Academy within your territory. You must ensure there is no disruption to the operation of your Academy during the relocation process. However, if you must relocate because your Academy is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, you will have 180 days to complete the relocation process and reopen at the new site.

Territory Description

We will grant you a territory that includes 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 territory mapping software.

If we approve the site for your Academy before you sign the Franchise Agreement, we will identify your territory in Part G of ATTACHMENT "A" to your Franchise Agreement. Otherwise, we will identify your territory in the Site Approval Notice we send to you after approving your site.

We have no obligation to modify your territory based on population changes during the term of the Franchise Agreement. Upon renewal, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria.

Exclusive Territorial Rights

Your territory will be exclusive. During the term of your Franchise Agreement we will not develop or operate, or license a third party to develop or operate, an Academy that is located in your territory and uses our Marks (either SEASHORE ACADEMY® or our tagline "A SEASHORE ACADEMY® Certified Education Center").

Alternative Channels of Distribution

We reserve the right to sell, and license others to sell, competitive or identical goods and services (either under the Marks or different trademarks) through Alternative Channels of Distribution, including within your territory. An "Alternative Channel of Distribution" means any channel of distribution other than the provision of education and enrichment services to students while physically present at an Academy. Examples of Alternative Channels of Distribution include the provision of education products or services over the Internet, through catalogs or telemarketing or onsite at a student's home or school. 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 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 targeted marketing directed into any 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 considered "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 conducting promotional events within a given territory.

With the exception of (a) the microsite we provide to you and (b) 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.

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

There are no other restrictions on your right to solicit students or families, whether from inside or outside of your territory.

Minimum Performance Requirements

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

Additional Franchises and Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises.

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 by an Academy. However, we reserve the right to do so in the future.

ITEM 13 TRADEMARKS

Our affiliate, Seashore Academy, LLC, owns the following trademarks registered on the Principal Register of the United States Patent and Trademark Office:

REGISTERED MARKS		
Mark	**Registration Number**	**Registration Date**
SEASHORE ACADEMY	7166923	September 19, 2023
	7166924	September 19, 2023

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

We may change the trademarks you may use from time to time, including by discontinuing use of the Marks listed in Item 13. If this happens, you must change to the new trademark at your expense.

You must notify us immediately if you discover an infringing use (or challenge to your use) of the Marks. We will take the action we deem appropriate. We are not required to take any action if we do not feel it is warranted. You may not control any proceeding or litigation involving our Marks.

We will indemnify you against and reimburse you for: (a) all damages for which you are held liable in a judicial or administrative proceeding based on your use of the Mark SEASHORE ACADEMY® (or the associated logo) in compliance with the Franchise Agreement and Manual; and (b) all costs you reasonably incur in defending against any such claim. Our indemnification obligation only applies 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 as disclosed above, the Franchise Agreement does not require that we: (a) protect your right to use the Marks; (b) protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (c) 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 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; (c) pending material litigation matters involving any of the Marks; or (d) infringing uses we are aware of that could materially affect your use of the Marks.

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.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

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

Copyrights

Although we have not filed an application for copyright registration for our Manual, Curriculum, Seashore Student Management Platform, website or marketing materials, we do claim a copyright to these items.

Proprietary Information

During the term of the Franchise Agreement, we allow you to use certain confidential and proprietary information relating to the marketing and operation of an Academy including the Curriculum, Teaching Methodologies, standards, specifications, procedures, policies, marketing strategies, financial data and supplier lists. We will own all ideas, improvements, inventions, marketing materials and other concepts you develop relating to an Academy. We will also own: (a) all data collected about your students and families; and (b) all data collected regarding your business operations. You must treat this data as confidential and proprietary. We license you the right to use this data during the term of your Franchise Agreement. You must comply with all applicable data protection laws and our data processing and data privacy policies in the Manual.

We provide access to our confidential information through the Manual, training programs and other periodic support and guidance. You may use this information solely for purposes of developing, marketing and operating your Academy in compliance with the Franchise Agreement and Manual. We consider all information in the Manual to be confidential. You may not disclose our confidential information to anyone other than your employees, on a need-to-know basis, without our prior permission. All of your employees, agents and representatives must sign the Confidentiality Agreement attached to the Franchise Agreement as ATTACHMENT "E" before you give them access to our confidential information.

Infringements

You must promptly notify us if you discover any unauthorized use of our proprietary information or copyrighted materials. We are not obligated to act, but will respond as we deem appropriate. You may not control any proceeding or litigation involving allegations of unauthorized use of our proprietary information or copyrighted materials. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our proprietary information or copyrighted materials. There are no infringements known to us at this time.

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

Owner Participation

You must designate an owner with overall responsibility for the on-premises 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 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 trained manager is onsite. Any new Managing Owner you appoint must successfully complete our then-current initial training program before assuming responsibility for the supervision, management or operation of the Academy.

Except as otherwise provided above with respect to your Managing Owner, we do not require that your owners personally participate in the management or operation of your Business. If you are an entity, each owner (i.e., each person holding a direct or indirect ownership interest in the entity) and the spouse of each owner must sign the Franchise Owner Agreement attached to the Franchise Agreement as ATTACHMENT "C". By signing the Franchise Owner Agreement, the owner (or spouse of the owner) agrees to: (a) comply with all brand protection covenants, covenants that protect our intellectual property and transfer restrictions set forth in the Franchise Agreement; and (b) guarantee the franchisee's financial obligations.

Managers

You may hire managers to assist the Managing Owner with onsite management and supervision of the Academy. Any person you hire as a 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 Confidentiality Agreement. At all times during normal business hours, either the Managing Owner or a trained manager must be present at the Academy to provide onsite management and supervision. The Managing Owner must monitor and supervise each manager to ensure the Academy is operated in accordance with the Franchise Agreement and Manual. We do not require that your managers own any equity interest in the franchise, although it is recommended.

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 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. 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 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	1 (definition of Term) & 4.1	Term is equal to 10 years.
b. Renewal or extension of the term	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. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law).

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
c. Requirements for you to renew or extend	4.1 & 4.2	You must: not be in default; give us timely notice; sign then-current form of franchise agreement; sign general release (subject to state law); pay renewal fee; and extend lease for duration of renewal term, if applicable. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
d. Termination by you	20.1	You can terminate if we default and fail to timely cure.
e. Termination by us without cause	20.3	We can terminate without cause if you provide your written consent.
f. Termination by us with cause	20.2	We can terminate if you default.
g. "Cause" defined - curable defaults	20.2	You have the following cure periods: (a) 24 hours for health or safety hazards; (b) 10 days for financial defaults; (c) 20 days for loss of a required license or permit; and (d) 30 days for any other default (other than a default described below under "non-curable defaults").
h. "Cause" defined - non-curable defaults	20.2	The following defaults cannot be cured: insolvency, bankruptcy or seizure of assets; failure to successfully complete training; failure to find approved site or open in timely manner; abandonment; conviction of certain crimes or subject of certain administrative actions; violation of material law; commission of act that may adversely affect reputation of System or Marks; material misrepresentations; 2nd underreporting of Gross Revenue by 2% or more; unauthorized Transfers; unauthorized use of our intellectual property; breach of brand protection covenant; breach of Franchise Owner Agreement; termination of lease, if applicable, due to your default; 3 or more default notices in a 12-month period; or termination of any other agreement between you (or your affiliate) and us (or our affiliate) due to your default.
i. Your obligations on termination/ non-renewal	21.1	Obligations include: cease use of intellectual property; return Manual, teaching materials, copyrighted materials and branded materials; assign telephone numbers, listings and domain names; assign enrollment agreements, student and family information, and accounts; cancel fictitious names; comply with data retention policies; and pay amounts due (also see "r", below).
j. Assignment of contract by us	19.1	No restriction on our right to assign.
k. "Transfer" by you – definition	1 (definition of Transfer), 19.2 & 19.3	Includes ownership change or transfer of contract or assets.
l. Our approval of transfer by you	1 (definition of Permitted Transfer), 19.2 & 19.3	You may engage in a Permitted Transfer (defined in Note 2 in Item 6) without approval. We must approve other Transfers but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	19.2	Transferee must: meet our qualifications; successfully complete training (or arrange to do so); obtain required licenses and permits; and sign then-current form of franchise agreement for remainder of term or, at our option, assume your Franchise Agreement; and upgrade furniture, fixtures and equipment to current standards. You must: be in compliance with Franchise Agreement; assign lease (if applicable); pay transfer fee; and sign general release (subject to state law).

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
n. Our right of first refusal to acquire your business	Not Applicable	We do not have a right of first refusal to purchase your Academy.
o. Our option to purchase your business	Not Applicable	We have an option to purchase your Academy.
p. Your death or disability	8.4 & 19.4	Within 180 days, interest 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.
q. Non-competition covenants during the term of the franchise	14.3	No involvement in a competing business.
r. Non-competition covenants after the franchise is terminated or expires	14.3 & 21.1	No involvement for 2 years in a competing business at the premises of your Academy or within 25 miles of your Academy (subject to state law).
s. Modification of the agreement	24.3 & 24.8	Requires writing signed by both parties (except we may unilaterally change Manual or reduce scope of restrictive covenants). Other modifications to comply with state laws.
t. Integration/ merger clause	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 our behalf. This provision supersedes any other term of any document executed in connection with the franchise.
u. Dispute resolution by arbitration or mediation	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 or post-term obligations.
v. Choice of forum	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).
w. Choice of law	24.1	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.

Defined Terms

For purposes of this financial performance representation, the following terms have the meanings given to them below:

"***Company-Owned Academy***" means any Academy that is owned by: (a) us; (b) any affiliate of ours; or (c) any person listed in Item 2 of this Disclosure Document if that person, or any other person listed in Item 2, is also involved with managing the Academy.

"***Converted Academy***" means any Academy that either: (a) was a Company-Owned Academy that was sold to a franchisee at any time during the Measuring Period; or (b) was a Franchised Academy that we or our affiliate reacquired from the franchisee at any time during the Measuring Period.

"***FPR***" means the financial performance representation set forth in Item 19 of this Disclosure Document.

"***Franchised Academy***" means any Academy that is owned by a franchisee.

"***Gross Revenue***" means the total revenue generated from all goods and services sold by the Qualifying Academy less: (a) sales or use taxes; (b) amounts refunded to customers; (c) revenue generated from the sale of books and supplies (franchisees do not generate revenue from the sale of books and supplies); and (d) revenue generated from supplier contracts (franchisees do not generate revenue from supplier contracts). Supplier contracts refer to contracts with third-party vendors that provide certain camps or electives for students and pay the Academy a percentage of the revenue.

"***Measuring Period***" means the school year beginning July 1, 2023 and ending June 30, 2024.

"***Qualifying Academy***" means any Company-Owned Academy or Franchised Academy that satisfies all of the following criteria: (a) the outlet was open and operating throughout the entire Measuring Period; (b) the outlet provided us with all data we requested in order to prepare the FPR; (c) the outlet is not a Converted Academy; (d) the outlet does not operate using a "half-day model" (our standard franchise model is for a full-day model); (e) the outlet did not move locations during the Measuring Period.

System Statistics

As of June 30, 2024 (the last day of the Measuring Period) there were 2 Company-Owned Academies and 0 franchised Academies in operation. For purposes of this FPR, each Academy may be referred to as an "outlet". The table below summarizes the outlet statistics and the number of Qualifying Academies whose data has been included in this FPR.

2023 - 2024 Outlet Statistics							
Outlet Type	Statistics for 2023/2024 School Year						Qualifying Academies
	Open as of Jul 1, 2023	Opened	Closed	Open as of Jun 30, 2024	Converted Academies	Half-Day Academies	
Company-Owned	2	0	0	2	0	0	2
Franchised	0	0	0	0	0	0	0
Total	2	0	0	2	0	0	1

Because there were no Franchised Academies open and operating during the Measuring Period, this FPR is limited to data from Company-Owned Academies. This FPR includes data from the following Company-Owned Academy that is a Qualifying Academy:

QUALIFYING ACADEMIES				
Location	**Opening Date**	**Type of Academy**	**Size of Campus**	**Enrollment Capacity**
Mission Viejo, CA	September 2022	Traditional Academy	5,000 square feet	150

We have excluded 1 Company-Owned Academy in Newport Beach, CA due to the fact it moved locations during 2024.

There are no material differences between the operations of the Qualifying Academy and the franchised business offered under this Disclosure Document for a Traditional Academy.

Financial Performance Representation – Traditional Academy

The table below presents the historical financial results achieved by 1 Qualifying Academy during the Measuring Period. The financial metrics presented include student enrollment, Gross Revenue (broken down by revenue stream) and average revenue per student. To calculate average revenue per student we divided total Gross Revenue for the Measuring Period by the total number of students enrolled at any time during the Measuring Period.

Financial Performance Representation – July 1, 2023 through June 30, 2024			
Performance Metrics	***Mission Viejo***		
	Fall	**Spring**	**Annual**
Student Enrollment	24	27	28
Gross Revenue			
Tuition	$144,540	$107,076	$251,616
Enrollment Fees	$3,800	$21,200	$25,000
Application Fees	$1,365	$3,145	$4,510
Charter Funds	$1,758	$2,700	$4,458
Enrichment Programs	$0	$1,729	$1,729
Coop Fees	$0	$0	$0
Financing Fees	$100	$800	$900
Late Fees	$700	$300	$1,000
Contract Breach Fees	$0	$0	$0
Total Gross Revenue	**$152,263**	**$136,951**	**$289,213**
Average Revenue Per Student	**-**	**-**	**$10,329**

Notes:

1. Semesters: Spring semester covers revenue generated between January 1st and June 30th. Fall semester covers revenue generated between July 1st and December 31st.

2. Source of Data: We obtained the data for this FPR from internally prepared financial statements of the Qualifying Academy generated from QuickBooks accounting software.

3. Charter Funds: The Qualifying Academy currently partners with homeschool charter schools. Parents receive a certain allocated amount from the charter school for their child. The student is enrolled at the homeschool and at the Qualifying Academy, which provides homeschooling for the parent. The charters schools do not provide classes but they do provide structure and oversight to ensure proper educational criteria are satisfied. These programs vary by state and may not be available in some states. You should check with your local and state government agencies to confirm the types of charter programs offered to parents and students in your state. You may be required to follow special procedures or satisfy additional criteria established by local or

state government agencies in order to participate in these programs.

4. Enrichment Programs: Enrichment programs includes any program other than regular classes offered during Spring and Fall semesters, including morning electives, summer camps, break camps, field trips and after-school programs. You have the option, but not the obligation, to offer one or more enrichment programs.

5. Coop Fees: Coop fees include revenue generated from the Early Childhood Education Program, a parent cooperative program administered and run by Seashore. These cooperative fees cover the cost of rent, insurance, supplies, trained staff, administration, and insurance. The Early Childhood Education Program may not be available outside of California.

6. Contract Breach Fees: The contract breach fee refers to a $795 fee imposed when: (a) a parent enrolls the student for the entire year; (b) the parent pays the full amount of tuition up front to receive a discount; and (c) the student leaves program before the end of the school year.

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 2618 San Miguel Drive, #270, 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 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	3	4	+1
	2023	4	2	-2
	2024	2	2	0
Total Outlets	2022	3	4	+1
	2023	4	2	-2
	2024	2	2	0

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 TO 2024								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Terminations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2022 TO 2024							
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	2022	3	1	0	0	0	4
	2023	4	0	0	2	0	2
	2024	2	0	0	0	0	2
Totals	2022	3	1	0	0	0	4
	2023	4	0	0	2	0	2
	2024	2	0	0	0	0	2

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2024			
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**
Total	0	0	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, 2024. 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, 2024, December 31, 2023 and December 31, 2022 are attached to this Disclosure Document as EXHIBIT "F".

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"-1 State Addenda
EXHIBIT "D"-2 General Release

Attachments to Franchise Agreement

ATTACHMENT "B" Form of Site Approval Notice
ATTACHMENT "C" Franchise Owner Agreement
ATTACHMENT "D" ACH Authorization Form
ATTACHMENT "E" Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT "H" 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:
Secretary of State
99 Washington Avenue
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
PO BOX 41200
Olympia, WA 98504-1200

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: _____

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ATTACHMENTS

ATTACHMENT "A"	Deal Terms
ATTACHMENT "B"	Form of Site Approval Notice
ATTACHMENT "C"	Franchise Owner Agreement
ATTACHMENT "D"	ACH Authorization Form
ATTACHMENT "E"	Confidentiality Agreement

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 not defined above have the meanings given to them below:

"*Academy*" means any private education business that we authorize to use our Curriculum and Teaching Methodology.

"*Account*" means the checking account you designate from which we deduct fees and other amounts owed to us and our affiliates in accordance with §13.5.

"*ACH Agreement*" means the ACH Authorization Agreement attached as ATTACHMENT "D", which authorizes us to electronically debit your Account for amounts owed to us and our affiliates.

"*Alternative Channels of Distribution*" means all channels of distribution other than the provision of education and enrichment services to students while physically present at an 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.

"*Business*" means the franchised business you operate pursuant to this Agreement.

"*Business Data*" means, collectively or individually, Customer Data and Operational Data.

"*Claim*" means any action, allegation, assessment, claim, demand, litigation, proceeding or regulatory procedure, investigation or inquiry.

"*Competing Business*" means any supplemental education business 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.

"*Confidential Information*" means and includes: (a) Know-How (including the Curriculum and Teaching Methodology); (b) Business Data; (c) terms of the Definitive Agreements and any attachments thereto and amendments thereof; (d) information in the Manual; and (e) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you or your Owners, employees or other constituents); (b) you can demonstrate was rightfully possessed by you or an Owner, without obligation of nondisclosure, before we disclosed the information to you or the Owner; (c) is independently developed by you or an Owner without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you or to an Owner without breaching any obligation of confidentiality imposed on such third party.

"*Confidentiality Agreement*" means the Confidentiality Agreement that must be signed by certain of your employees pursuant to §14.5, the current form of which is attached as ATTACHMENT "E".

"*Copyrighted Materials*" means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of an Academy.

"*Curriculum*" means our proprietary academic curriculum used to teach classes at a Seashore Academy, as modified by us from time to time.

"*Customer Data*" means and includes any and all data that pertains to Seashore Academy students or their families, including names, contact information, enrollment information, attendance records, report cards,

teacher notes, parent communications and payment history.

"*Definitive Agreements*" means, collectively: (a) this Agreement; (b) any other Franchise Agreement between you (or your affiliate) and us (or our affiliate) for an Academy or any other franchised concept; and (c) all ancillary agreements executed in connection with the foregoing, including Franchise Owner Agreements.

"*Dispute*" means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the franchise; or (c) the relationship between the parties.

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

"*Equity Interest*" means a direct or indirect ownership or beneficial interest in the capital stock of, partnership or membership interest in, or other equity, ownership or beneficial interest in a business or an Entity (including voting rights).

"*Excluded Claim*" means any Claim that, according to §22, is not subject to mandatory mediation or arbitration.

"*Force Majeure*" means acts or circumstances that are beyond a party's control, including fire, storm, flood, earthquake, explosion or accident, acts of war or terrorism, epidemic, failures or delays of transportation and strikes, provided that: (a) the non-performing party promptly provides written notice to the other party of the Force Majeure event; (b) the non-performing party is without fault and the delay or failure could not have been prevented by reasonable precautions by the non-performing party; (c) nothing herein shall excuse or permit any delay or failure to pay fees or other amounts owed on the applicable due date; (d) insolvency, lack of required funds or financing, currency fluctuations, currency devaluations, foreign exchange controls or inflation shall never be deemed Force Majeure; and (e) an epidemic or pandemic of a contagious illness or disease, or economic or financial changes caused by an epidemic or pandemic of a contagious illness or disease, shall never be deemed Force Majeure except to the extent a Governmental Authority mandates closure (or prevents the opening) of the Academy as a result of such epidemic or pandemic.

"*Franchise Owner Agreement*" means the Franchise Owner Agreement that must be signed by the Owners and their spouses pursuant to §9, the current form of which is attached as ATTACHMENT "C".

"*Franchisee Entity*" means the Entity, if applicable, that: (a) signs this Agreement as the franchisee (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

"*General Release*" means our then-current form of Waiver and Release of Claims that you and your Owners must sign pursuant to §4.2 (in connection with a renewal of your franchise rights) or §19.2 (in connection with a Transfer).

"*Government Official*" means any: (a) officer or employee of a Governmental Authority; (b) commercial or similar entity owned or controlled by a Governmental Authority, including state-owned and state-operated companies or enterprises; (c) public international organization (e.g., United Nations, World Bank); (d) political party or official thereof; or (e) candidate for political office.

"*Governmental Authority*" means any national, provincial, state, county, local, municipal or other government, or any ministry, department, agency or subdivision thereof, whether administrative or regulatory, or any other body that exercises similar functions, and including any court or taxing authority.

"*Gross Revenue*" 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 Revenue, be valued at the full retail value of the products and/or services so provided to you. Gross Revenue also includes any other amounts you may collect in relation to your Business, including advertising revenue, sponsorship fees and business interruption insurance proceeds. If you provide free or discounted goods or services, you must calculate Gross Revenue 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 Revenue excludes: (a) sales or use taxes you pay to a Governmental Authority; and (b) revenue you collect from a customer and later refund to that customer in a bona fide refund transaction.

"*Home-Based Academy*" means a home-based Academy where students visit the franchisee's home to attend classes.

"*Improvement*" means any idea, addition, modification or improvement to the (a) goods or services offered or sold at an Academy, (b) method of operation of an Academy, (c) processes, systems or procedures utilized by an Academy, (d) marketing, advertising or promotional materials, programs or strategies utilized by an Academy or (e) trademarks, service marks, logos or other intellectual property utilized by an Academy, whether developed by you, an Owner, an employee or any other Person.

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

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how and Marks.

"*Interim Manager*" means a Person we designate to temporarily manage your Academy under the circumstances described in §8.4.

"*Interim Term*" means a month-to-month extension of the Term under the circumstances described in §4.3.

"*IP Dispute*" means any: (a) apparent infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any Person, other than us or our affiliate, of any rights in or to the Intellectual Property.

"*Know-how*" means and includes our (and our affiliates') trade secrets and other proprietary information relating to the marketing or operation of an Academy including, but not limited to: the Curriculum; the Teaching Methodology; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; and financial information.

"*Law*" means and includes all laws, judgments, decrees, orders, rules, regulations, ordinances, advisory opinions or official legal interpretations of any Governmental Authority.

"*Local Marketing Commitment*" means the minimum amount of money you must spend each month on local advertising and marketing to promote your Academy in accordance with §10.3(a).

"*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 you designate and we approve with primarily responsibility for the overall management and supervision of the Academy.

"*Manual*" means our confidential Brand Standards Manual for the operation of an Academy, as further described in §11.2. The Manual may consist of written text as well as videos, tutorials, training modules, recordings and/or other means of communication.

"*Marks*" means and includes all service marks, trademarks, trade names, logos and taglines that we designate from time to time and authorize or require Academies to use, including SEASHORE ACADEMY® and the associated logo (for Traditional Academies) or the tagline "A SEASHORE ACADEMY® Certified Education Center" (for Home-Based Academies). The Marks also include any distinctive trade dress used to identify an Academy.

"*Operational Data*" means and includes all data and information pertaining to the operation of your Business including employee data, expense data, financial accounting data and Gross Revenue data.

"*Owner*" means a Person who either: (a) directly signs this Agreement as the franchisee, either alone or in conjunction with one or more other Persons; or (b) directly or indirectly through one or more intermediaries

owns any Equity Interest in the Business or Franchisee Entity.

"*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 that results in the Managing Owner owning less than 10% of the Equity Interests in the Business or Franchisee Entity; or (b) a Transfer by the Owners to a new Franchisee Entity for which such Owners collectively own and control 100% of the Equity Interests.

"*Person*" means an individual, Entity, unincorporated organization, joint venture, Governmental Authority, estate (or executor thereof) or trust (or trustee thereof).

"*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 the two-year Post-Term Restricted Period is too long to be enforceable then Post-Term Restricted Period means: 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 date on which the Owner no longer holds any Equity Interest in the Business or Franchisee Entity; *provided, however*, that if a court of competent jurisdiction determines the two-year Post-Term Restricted Period is too long to be enforceable then Post-Term Restricted Period means: a period of one (1) year after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the date on which the Owner no longer holds any Equity Interest in the Business or Franchisee Entity.

"*Prohibited Activities*" means and includes any of the following: (a) owning, operating or having any other interest (e.g., as a director, officer, employee, manager, consultant, creditor, representative, agent or in any similar capacity) in a Competing Business, other than owning less than 5% of the Equity Interests in a publicly traded company that is a Competing Business; (b) disparaging or otherwise making negative comments about us, our affiliate, our Curriculum, our Teaching Methodology or an Academy (this provision does not prohibit disclosure of truthful information to Governmental Authorities); and/or (c) inducing any student enrolled in an Academy (or inducing the student's family) to transfer their business to a competitor.

"*Qualifying Child*" means, for purposes of determining your Territory, 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.

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

"*Seashore Academy*" has the same meaning set forth above for an "Academy".

"*Site Approval Notice*" means the Site Approval Notice attached as ATTACHMENT "B" that we may issue to you pursuant to §0 and §7.1 to identify the approved site for your Academy and your Territory.

"*Site Selection Area*" means the geographic area described in Part E of ATTACHMENT "A" and within which you must find a site we approve for your Academy.

"*Seashore Student Management Platform*" means our designated technology stack consisting of various third-party software and technologies utilized to operate an Academy.

"*Successor Agreement*" means our then-current form of Seashore Academy Franchise Agreement you must sign pursuant to §4.2 in order to renew your franchise rights.

"*Teaching Methodology*" means our proprietary teaching and educational methodologies, techniques, processes and strategies used to teach students in accordance with our Curriculum.

"*Technology Systems*" means and includes the Seashore Student Management Platform and all other information and communication technology systems we specify from time to time, including, without

limitation, the computer systems, point-of-sale systems, learning management systems, curriculum distribution systems, 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.

"*Term*" means the period of time beginning on the Effective Date and expiring on the earlier to occur of: (a) the 10th anniversary of the Effective Date; or (b) the date this Agreement is effectively terminated.

"*Territory*" means the protected territory for your Academy, as further described in §0.

"*Traditional Academy*" means an Academy operated from a non-residential premises.

"*Transfer*" means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

(a) this Agreement (or any interest therein);

(b) the franchise or intellectual property rights granted by this Agreement (or any interest therein);

(c) the Business you conduct pursuant to this Agreement (or any interest therein);

(d) the Academy's assets, other than the sale of fixtures or equipment in the ordinary course of business; or

(e) an Equity Interest in the Business or Franchisee Entity, including public and private offerings;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests in the Franchisee Entity; foreclosure of a security interest by a lender; or operation of Law, will or a trust upon the death of an Owner, including the Laws of intestate succession.

"*Travel Expenses*" means and includes all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Academy; or (b) by you and your personnel to attend training programs or conferences.

2. GRANT OF FRANCHISE.

2.1. Generally. We hereby grant you the right, license and obligation to own and operate a Seashore Academy education business (your "Business" or your "Academy") using our Intellectual Property from the site 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.

2.2. Trade Name. You may choose to operate your Academy: (a) under the name SEASHORE ACADEMY®; or (b) under a different business name that you propose and we approve (an "Academy Tradename"). Part B of ATTACHMENT "A" confirms whether you have elected to operate under the name SEASHORE ACADEMY® or an Academy Tradename. If you operate under an Academy Tradename: (a) we will list the approved Academy Tradename in Part B of ATTACHMENT "A" and you must sign the acknowledgment confirming the approved Academy Tradename you will use; (b) you must list your Academy Tradename in conjunction with the tagline "A SEASHORE ACADEMY® Certified Education Center" in the manner we require; (c) you may not use any name other than your Academy Tradename (in conjunction with our designated tagline) to identify your Academy; and (d) you may not use any of our Marks except for our designated tagline and any other Marks we otherwise approve or require from time to time.

2.3. Business Model. You may choose between operating a Home-Based Academy or a Traditional Academy. Part C of ATTACHMENT "A" confirms whether you have elected to operate a Home-Based Academy or a Traditional Academy.

3. **TERRITORIAL RIGHTS AND LIMITATIONS**. We will grant you an exclusive territory (your "Territory") that will include a minimum of 35,000 Qualifying Children, as determined using any territory mapping software we designate. 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, we will describe your Territory in Part G of ATTACHMENT "A" shall identify the geographic area that comprises your Territory. Otherwise, we will describe your Territory in the Site Approval Notice we send to you after approving your site. During the Term we will not develop or operate, or license a third party to develop or operate, an Academy that is located in your Territory. We reserve the right to sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) within the Territory through Alternative Channels of Distribution.

4. **TERM AND RENEWAL**.

4.1. Generally. This Agreement grants you the right to operate your Academy only during the Term. Provided that you satisfy all conditions for renewal specified below, you have the one-time right to enter into a Successor Agreement following the expiration of the Term. The Successor Agreement shall be the current form of franchise agreement we use in granting franchises as of the expiration of the Term, the terms of which may vary materially and substantially from the terms of this Agreement. Upon renewal, we 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. The parties may agree to further renewals after expiration of the first (1st) renewal term, but neither party is obligated to do so (unless required by applicable state Law, in which case the same renewal terms and conditions set forth in this Agreement shall apply to subsequent renewals). 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 and 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:

(a) notify us in writing of your desire to enter into a Successor Agreement not less than 210 days nor more than 270 days before the expiration of the Term;

(b) not be in default under any Definitive Agreement at the time you send the renewal notice or sign the Successor Agreement;

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

(d) sign a General Release;

(e) pay us a $995 renewal fee; and

(f) extend the term of your lease (if applicable) 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 but continue to operate your Academy after the expiration of the Term, we may either treat this Agreement as: (a) expired as of the Term expiration date with you operating 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.

5. TRAINING AND CONFERENCES

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

5.2. Ongoing Trainings. We may offer periodic refresher or supplemental training courses for your Managing Owner and management personnel. We may designate courses as mandatory or optional. If we determine your Academy is not being operated in full compliance with this Agreement and the Manual, we may require that your Managing Owner and management personnel attend remedial training relevant to your operational deficiencies. We may, but need not, provide additional assistance or training requested by you at a mutually convenient time.

5.3. Training Locations. Our training programs may take place at any location we designate. We reserve the right to conduct training programs virtually.

5.4. Training Fees and Expenses. We provide our preopening initial training program at no additional charge. We may charge an additional training/assistance fee of up to $450 per Person per day for any Person who: (a) attends our initial training program after you open your Academy; (b) retakes training after failing a prior attempt; (c) attends remedial training program; (d) attends additional training requested by you; or (e) attends refresher or supplemental training. We may also charge the fee for any special assistance you request beyond what we must provide under this Agreement. If we provide onsite training or assistance, you must also reimburse us for all Travel Expenses we incur. You are responsible for all wages and Travel Expenses (if applicable) your personnel incur to attend training programs.

5.5. Conferences. We may hold periodic conferences to discuss business and operational matters relevant to franchisees. Attendance is mandatory unless: (a) we designate attendance as optional; or (b) we waive your obligation to attend based on showing of good cause. We may charge you a conference registration fee of up to $500 per Person per conference. If you fail to attend a required conference without a waiver from us, you must pay us the conference registration fee despite your non-attendance (we will provide you with a copy of any written materials distributed at the conference). You are responsible for all wages and Travel Expenses you and your personnel incur to attend conferences.

6. OTHER FRANCHISOR ASSISTANCE.

6.1. Manual. We provide you with access to our Manual during the Term. The Manual will help you develop 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. Curriculum and Teaching Methodology. We will provide you with access to our proprietary Curriculum and Teaching Methodology, as periodically modified by us from time to time at our discretion.

6.3. Seashore Student Management Platform. We hereby grant you a license to use the Seashore Student Management Platform solely in connection with the operation of your Academy. You must utilize this technology platform in the manner required by the Manual, including compliance with required data entry policies. The licensing fees for the Seashore Student Management Platform are included within the Enrollment Fee you pay us. You are strictly prohibited from: (a) sublicensing the Seashore Student Management Platform to any other Person; or (b) using the Seashore Student Management Platform

for any purpose unrelated to your Academy. You will use the Seashore Student Management Platform for a variety of purposes, including to access our Curriculum.

6.4. **General Guidance.** We will periodically review and evaluate your Academy and reports you submit to us and provide our guidance and recommendations on ways to improve the operation of your Academy. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by phone, email or other means of communication.

6.5. **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 will provide a report detailing any problems or concerns observed during the field visit together with our instructions to address or resolve such problems or concerns. You must implement all required corrective measures in the time and manner we specify.

6.6. **Marketing Assistance.** As further described in §10: (a) we will provide you with certain marketing assistance and support during the Term; and (b) we may, but need not, administer the brand and system development fund.

6.7. **Website.** We maintain a corporate website for our brand. We will also develop and host a microsite for your Academy that will be linked to our corporate website and will include such information about your Academy that we deem appropriate. We provide the microsite regardless of whether you operate your Academy under our Marks or under an Academy Tradename. We must approve all content on your microsite but will consider information you suggest in good faith. You must pay us a $495 annual technology fee that covers, among other things, the development and hosting of your microsite. The first annual installment of the technology fee is due upon execution of this Agreement. Subsequent installments are due on each anniversary of the Effective Date of this Agreement. We will own the website (including your microsite) and domain name at all times. We may change or discontinue our website and/or your microsite at any time.

6.8. **Purchase Agreements.** We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for franchisees. We will arrange for you to be able to purchase the goods or services directly from the supplier at the discounted prices we negotiate (subject to any rebates the supplier pays to us). We may also purchase goods 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 ACADEMY

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 site must be located within the Site Selection Area and suitable for teaching students. You must send us photos of your proposed site. We may also require a video "walkthrough" of the site, in which case you must facilitate the virtual site evaluate. We may accept or reject each site you propose 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 approval within the 30-day period. If we approve the site for your Academy prior to execution of this Agreement, we will list the address of your approved site in Part F of ATTACHMENT "A". Otherwise, we list the address of your approved site in a Site Approval Notice we will send to you within 15 days after approving your site. Within five (5) business days after we send you the Site Approval Notice, you must sign and date the franchisee acknowledgment section and send us a copy for our records. Our approval of the site (and designation of your Territory) is immediately effective and binding on you at the time we issue the Site Approval Notice even if you do not send us a signed acknowledgment. Our approval of a site is not a representation or warranty of any kind, express or implied, of the desirability or potential profitability of the site for an Academy. It indicates only that we believe the site is adequate and suitable for teaching students.

7.2. **Site Development.** We have no design requirements, standards or specifications for the facility from which you will operate your Academy except it must be suitable for teaching students. You must

purchase all equipment, Technology Systems, teaching materials and other supplies that we designate.

7.3. **Opening**. You must open your Academy to the public within 180 days after the Effective Date. You may not open prior to receipt of our written authorization to open. We will not issue our authorization to open before:

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

(b) you purchase all required insurance policies and provide evidence of coverage;

(c) you obtain all required licenses, permits and approvals from Governmental Authorities;

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

(e) we review and approve the buildout and layout of your Academy; and

(f) you fulfill all of your other preopening obligations under this Agreement and the Manual.

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.

7.4. **Relocation.** You may relocate your Academy with our prior approval, which we will not unreasonably withhold. If we allow you to relocate, you must obtain our approval of a new site for your Academy within the Territory. You must ensure there is no disruption of operations during the relocation process; *provided, however*, that if you relocate because your Academy is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, then you have 180 days after closing to reopen at the new site.

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 own at least 10% of the Equity Interests in the Business or Franchisee Entity, unless we waive this requirement. Any new Managing Owner you appoint must successfully complete our then-current initial training program before assuming responsibility for 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 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 Confidentiality Agreement. At all times during normal business hours, either the Managing Owner or a manager must be present at your Academy to provide onsite management and supervision. The Managing Owner must supervise each 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 a Person of our choosing (an "Interim Manager") to manage your Academy if either: (a) you fail to appoint an approved replacement Managing Owner, who has successfully completed all training we require, within 30 days after your Managing Owner ceases to perform the responsibilities of a Managing Owner for any reason; or (b) you fail to cure a material breach before the expiration of the cure period. 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: (a) pay us the management fee we designate (not to exceed $1,500 per day) during the period of time that the Interim Manager manages your Academy; and (b) reimburse us for all Travel Expenses incurred by the Interim Manager. The Interim Manager has no liability to you except for gross negligence or willful misconduct. We have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager.

9. **FRANCHISEE ENTITY**. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Franchisee Entity authorizing the execution of this Agreement, a copy of the Franchisee Entity's organizational documents and a current Certificate of Good Standing. Each Owner of the Franchisee Entity, and the spouse of each Owner who is a natural Person, must sign a Franchise Owner Agreement.

10. **ADVERTISING & MARKETING.**

10.1. **Brand and System Development Fund.** We intend to administer a brand and system development fund to promote public awareness of our brand and improve our Curriculum and Teaching Methodology. On the 5th day of each month, you must pay us a brand fund fee in the amount we designate (not to exceed 2% of Gross Revenue). We will provide at least 30 days' prior notice of any change to the brand fund fee. We deposit all brand fund fees and noncompliance fees we collect into the fund. We may use the fund to pay for any of the following in our sole discretion:

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

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

(c) improving public awareness of the Marks;

(d) public and consumer relations and publicity;

(e) brand development;

(f) sponsorships;

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

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

(i) website development and search engine optimization;

(j) development, maintenance and promotion of an ecommerce platform;

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

(l) conducting market research;

(m) changes and improvements to the Curriculum or Teaching Methodology;

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

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

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

(q) any other programs or activities we deem necessary or appropriate to promote Academies or improve our Curriculum, Teaching Methodology or Technology Systems; and

(r) 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 marketing or advertising activities. Any surplus 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. We will prepare, and make available to you upon request, an annual statement of fund operations, including deposits and disbursements. In terms of marketing activities paid for by the fund, we do not ensure that: (a) expenditures in (or affecting) a given geographic area are proportionate or equivalent to the brand fund fees paid by franchisees in that geographic area; or (b) franchisees benefit directly or in proportion to their brand fund fees. We may suspend or discontinue the fund at any time in our sole discretion upon 30 days' prior notice.

10.2. Marketing Assistance From Us. We may create and make available to you advertising and other marketing materials for your purchase. We may: (a) use the brand fund to pay for the creation and distribution of these materials, in which case there will be no additional charge; (b) provide online access to these materials, in which case you must print the materials at your expense; and/or (c) contract with third-party suppliers to create and sell these materials to you. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as-needed basis.

10.3. Your Marketing Activities.

(a) Generally. You must spend a minimum of $500 per month on preopening marketing and advertising during the 60-day period prior to opening. We waive this required expenditure if you operate a Home-Based Academy and limit enrollment to your own children the first semester. After opening, you must spend, on a monthly basis, an amount equal to the greater than the amount we designate from time to time (your "Local Marketing Commitment") on local marketing and advertising. The Local Marketing Commitment will not exceed $300 per month. We measure your compliance with this requirement 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 the Local Marketing Commitment, you are deemed in compliance even if your expenditure in any given month is less than the Local Marketing Commitment. Brand fund fees are in addition to, and not credited towards, 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. If you operate a Home-Based Academy, the Local Marketing Commitment is waived for any time period during which you plan to enroll only your own children. You must participate at your own expense in all advertising, promotional and marketing programs we require.

(b) Standards for Advertising. All advertisements and promotions you create or use must be completely factual, conform to the highest standards of ethical advertising and comply with all

Laws. You must ensure your advertisements and promotional materials do not infringe upon the intellectual property rights of others. You must comply with any minimum advertised pricing policy we establish from time to time. You must follow any policies 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 marketing materials and programs you intend to use, including: (i) all advertising and marketing materials we did not prepare or previously approve; and (ii) any materials we prepare or approve and you modify. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved or that we approve and later disapprove. We have 15 days to review and approve or disapprove advertising and marketing materials and programs you submit. Our failure to issue our approval within the 15-day period constitutes our disapproval. Any advertising you propose and we approve will be deemed an "Improvement" for purposes of §17.5.

(d) Social Media. You may promote your Academy using social media provided that:

(i) you only utilize 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 contract with and exclusively utilize any social media company we designate;

(v) you provide us with full administrative rights to your social media accounts; and

(vi) we retain ownership of all social media accounts relating to your Academy.

(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 links 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: (a) the website and all of its content; and (b) the website's domain name and associated URL.

11. OPERATING STANDARDS.

11.1. Generally. You must operate your Academy in full compliance with this Agreement, the Manual and our standards in order to maintain the goodwill associated with the Marks.

11.2. Brand Standards Manual. You must develop and operate your Academy in strict compliance with the Manual. The Manual may contain, among other things:

(a) a description of classes and programs you may offer, including the associated Curriculum and Teaching Methodology, and any other goods and services you may sell;

(b) a list of (i) goods and services (or specifications for goods and services) you must purchase to develop and operate your Academy and (ii) designated and approved suppliers;

(c) business forms you must use, including our designated form of enrollment agreement you must use to enroll students at your Academy;

(d) specifications, techniques, methods, operating procedures and quality standards; and

(e) policies and procedures pertaining to: (i) reporting and data entry; (ii) accounting and bookkeeping; (iii) insurance; (iv) marketing and advertising; (v) data ownership, protection, sharing and use; and (vi) any other matters we deem appropriate.

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by Academies. We can modify the Manual at any time. Modifications are binding at the time we notify you of the change, subject to any "grace period" we provide to implement the change. All mandatory provisions in the Manual (whether 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 our designated Curriculum and Teaching Methodology. You may only utilize 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; *provided, however*, that we may set maximum or minimum prices on the goods and services you sell to the extent permitted by applicable Law.

11.7. Suppliers and Purchasing.

(a) Generally. You must purchase, lease or license, as applicable, all goods, services and other items required by the Manual. You must only purchase goods and services that satisfy all standards and specifications we designate. You must comply with all sourcing and supplier restrictions we impose from time to time.

(b) System Suppliers. In accordance with the Manual, you must purchase certain goods and services exclusively from suppliers we designate or approve. The Manual may designate us or our affiliate as a designated or approved supplier. We and our affiliates may generate a profit from these purchases. We are the exclusive licensor of: (a) the Seashore Student Management Platform; (b) your gmail account; and (c) the website for your Academy. However, we license these items from third-party licensors and sublicense them to you. Our right to specify the suppliers you use is necessary so we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and operation of Academies, protect our trade secrets, negotiate bulk purchase discounts and protect the reputation and goodwill associated with our System and Marks. You must immediately discontinue purchasing from any supplier we disapprove.

(c) Approval Process. If you wish to purchase alternative goods or services or you wish to purchase from an alternative supplier, you must send us a request for approval that: (i) identifies the proposed supplier and the goods/services to be purchased; (ii) includes all information we require about the goods/services and the supplier (including the supplier's qualifications, reputation, financial strength and production capabilities); and (iii) includes product samples for examination and testing purposes. We may condition our approval on the supplier's agreement to comply with our minimum insurance, indemnification and confidentiality requirements for system suppliers. We will approve or disapprove your request within 30 days after we receive all required information and samples. Your request is deemed disapproved if we fail to issue our approval within the 30-day period. You must reimburse all costs we incur to review suppliers or goods/services you propose. We need not consider substitute goods or alternative suppliers for goods that are proprietary or branded with our Marks.

(d) Payment Disputes. You understand that: (i) your failure to timely pay a system supplier may jeopardize the supplier's relationship with us and other franchisees; and (ii) a supplier's termination of its relationship with us or refusal to supply goods or services to our franchisees may cause significant harm to us and our franchisees. Accordingly, you agree to promptly pay all amounts owed to system suppliers except as otherwise permitted by this Section. If you have a bona-fide dispute with a supplier that you believe justifies non-payment or partial payment, you must promptly notify the supplier of the particulars of your Claim and diligently pursue resolution of the Claim or prosecution of appropriate legal action. Any trade debt that remains unpaid more than 30 days after its due date constitutes a material breach of this Agreement unless, before the end of the 30-day period: (i) you and the supplier agree to alternative payment terms; or (ii) you initiate appropriate legal action to contest the trade debt.

(e) Supplier Payments. We may receive rebates, benefits and other consideration from suppliers based on your purchases, leases or licenses. We may retain these payments as compensation and reimbursement for time and expenses we incur to negotiate and manage supplier relationships. We have no obligation to pass them through to you or use them for any particular purpose (except as otherwise agreed to by us and a supplier).

(f) Disclaimer of Liability. Provided that we designate or approve system suppliers in good faith, we have no liability to you for their acts, errors or omissions including, without limitation, defective or tainted goods, delayed delivery or inability to meet demand. With respect to goods purchased

from us or our affiliate, you acknowledge that we or our affiliate purchase the goods from third-party manufacturers or suppliers and resell them to you as a convenience. If you have any type of Claim relating to the purchase of goods or services from a system supplier, your sole recourse shall be against the supplier. If we or our affiliate are the supplier, your sole recourse shall be against the manufacturer or supplier from whom we or our affiliate acquired the goods unless both: (i) the Claim arises from our (or our affiliate's) failure to supply the goods in breach of our obligations under this Agreement; and (ii) our (or our affiliate's) failure to supply the goods is not caused by a Force Majeure event. ***We and our affiliates make no warranties or representations and expressly disclaim all warranties and representations, including the implied warranties of merchantability and fitness for a particular purpose, with respect to goods or services you purchase from system suppliers***.

11.8. Equipment Maintenance and Changes. You must maintain 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 from time to time.

11.9. Technology Systems.

(a) Generally. You must acquire and utilize all Technology Systems we require from time to time. 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 we deem appropriate. We may require that you acquire new or substitute Technology Systems and/or replace, upgrade or update existing Technology Systems at your expense upon reasonable prior notice. You are solely responsible for: (i) the acquisition, operation, maintenance, updating and upgrading of your Technology Systems; (ii) the manner in which your Technology Systems integrate and interface with our computer system and those of third parties; and (iii) any consequences resulting from improper use or operation, or failure to properly maintain, update or upgrade, Technology Systems.

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

(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 request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

(d) Third-Party Technology. You understand and agree that we and our affiliates: (i) do not own certain Technology Systems (or components thereof) that you must use to operate the Academy ("Third-Party Technology"); and (ii) have no liability to you for any losses, damages or expenses you incur as result of Third-Party Technology not functioning properly. Accordingly, you hereby: (i) waive any and all Claims against us or our affiliates relating to Third-Party Technology; and (ii) acknowledge your sole recourse for any liabilities, losses, damages or expenses you incur due to improperly functioning Third-Party Technology shall be against the owner or licensor of such Third-Party Technology.

(e) Email Accounts. We may, but need not, provide you with one or more email addresses for use with your Academy. We may charge you our then-current fee for each email address we provide

(this fee is added to the technology fee described in §11.9(f) below). You must exclusively use these email addresses for all communications with us, customers, suppliers and other Persons relating to your Academy. You may not use them for any purpose unrelated to your Academy. We own the email addresses and accounts but allow you to use them during the Term.

(f) Fees and Costs. You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading Technology Systems. Certain Technology Systems must be purchased or licensed from third-party suppliers. We and/or our affiliate may develop proprietary Technology Systems (or components thereof) that become part of our System. If this occurs, you agree to: (i) pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, sign our prescribed form of license agreement governing use of proprietary Technology Systems (or components thereof). We may enter into master agreements with licensors of Third-Party Technology and charge you for amounts we pay them based on your use of their Third-Party Technology. The technology fee includes all amounts you pay us and our affiliates relating to Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to suppliers of Third-Party Technology. The technology fee may change based on changes to Technology Systems or prices charged by third parties with whom we enter into master agreements. The technology fee may include a reasonable administrative fee for the time, money and resources we invest to administer the technology platform and associated components, negotiate and manage contracts with third-party licensors, and collect and remit technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The technology fee does not include amounts you pay directly to third-party suppliers. The technology fee is due 10 days after invoicing or as we otherwise specify. We list the current technology fee in the Manual.

11.10. Maintenance. You must maintain your Academy in good order and condition, reasonable wear and tear excepted, and make all necessary repairs at your sole expense.

11.11. Hours of Operation. Your Academy must be open during the minimum days and hours of operation set forth in the Manual, subject to any conflicting requirements in your lease or imposed by Law. You must establish specific hours of operation and submit them to us for approval. You may not change your hours of operation without obtaining our prior approval.

11.12. Standards of Service and Professionalism. You and your staff must provide prompt, courteous, friendly and efficient service and ensure all interactions with students and their families are conducted in a professional and ethical manner. If you receive a complaint from a student or parent, you must follow the complaint resolution process we specify to protect the goodwill associated with the Marks. You must also treat your employees and our staff with honesty and respect. You understand that your breach of this Section may significantly damage the goodwill associated with our Marks.

11.13. 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 brand and the goodwill associated with the Marks. If we notify you of a breach of our standards or operating procedures (including failure to submit required reports in a timely manner) and you fail to correct the noncompliance within the period of time we prescribe, then, in addition to any other remedies available to us under this Agreement, we may impose a noncompliance fee of $150 per occurrence. We may impose an additional $150 fee every 48 hours the same noncompliance issue remains uncured after we impose the initial fee. Any noncompliance fees we collect are paid in consideration of us refraining from exercising our contractual right to terminate this Agreement. If we take steps to cure a default committed by you after the expiration of any applicable cure period, including, without limitation, obtaining required insurance coverage on your behalf or paying amounts you owe to approved or designated suppliers, then you must reimburse us for all costs and expenses we directly or indirectly incur in connection with our efforts to cure the default. Our acceptance of noncompliance fees and default expense reimbursements shall not be construed as a waiver of any of our rights or remedies under this Agreement and we retain the right to terminate this Agreement in accordance with §20.2 if the default continues after we collect these amounts.

12. FRANCHISE ADVISORY COUNCIL. We may, but need not, create a franchise advisory council to provide us with suggestions on matters such as curriculum development, teaching materials, marketing, technology or operations. We consider all suggestions in good faith but are not 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 council member as long as you comply with this Agreement and do not act in a disruptive, abusive or counter-productive manner. As a member, you would be entitled to all voting rights and privileges granted to other council members. Each member would have one vote on all matters on which members are authorized to vote.

13. FEES

13.1. Initial Franchise Fee. You agree to pay us an initial franchise fee in the amount set forth in Part D of ATTACHMENT "A" in one lump sum at the time you sign this Agreement. The initial franchise fee is fully earned by us and nonrefundable once this Agreement is signed.

13.2. Enrollment Fee. For each student that enrolls in your Academy, you must pay us an annual Enrollment Fee of $1,995 per student per year. The first Enrollment Fee for a given student is due on the date the student enrolls at your Academy. Subsequent installments are due on each anniversary of the student's enrollment date. You owe us the full $1,995 Enrollment Fee for each 12-month period that a student is enrolled in your Academy, regardless of whether the student continues to attend classes or cancels their enrollment during such 12-month period.

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

13.4. Due Date & Late Fee. Payments are due 10 days after invoicing unless otherwise specified. If any sum due under this Agreement has not been received by us when due or there are insufficient funds in your Account to cover the sum when due, then in addition to this sum you must pay us $100 plus default interest on the amount 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 applicable Law. We will not impose a late fee for any amount paid pursuant to §13.5 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payment when due; *provided, however*, that if we are unable to determine the amount due to your failure to record sales or submit Gross Revenue reports in a timely manner, we may assess a late fee on the entire amount that was due. This §13.4 shall not constitute our agreement to accept late payments or extend credit to you.

13.5. Method of Payment. No later than 15 days after the Effective Date, you must send us a completed and executed ACH Agreement authorizing us to electronically debit your designated Account for all amounts owed to us and our affiliates on the applicable due date, excluding any amounts due within 15 days after the Effective Date. You must sign all other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all Gross Revenue 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 you owe will be payable upon demand, together with any late fee imposed pursuant to §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 when due; or (b) a check you issue to us is returned due to insufficient funds.

13.6. CPI Adjustment. We reserve the right to periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the Consumer Price Index in the United States (CPI). We may periodically review and increase these fees based on CPI changes, but only if the then-current CPI ("Current CPI") is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of this Agreement (for the initial fee adjustment); or (b) the date we implemented the

last fee adjustment (for subsequent fee adjustments) ("Baseline CPI"). The adjusted fee shall be calculated by multiplying the current fee by the sum of one (1) plus a fraction: (a) the numerator of which is Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI. We may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that we deem appropriate. We currently use the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), "All Items". We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We may implement no more than one (1) fee adjustment during any five (5) year period. If we decline to exercise our right to increase the fees in a given five (5) year period despite a 5% or greater CPI increase, that potential fee increase will accumulate and may be carried forward and applied in connection with a subsequent fee adjustment.

14. BRAND PROTECTION COVENANTS.

14.1. Reason for Covenants. The Intellectual Property, training and assistance we provide would not be acquired except through implementation of this Agreement. You agree that competition by you, the Owners or Persons associated with you or the Owners (including family members) could seriously jeopardize our franchise system because you and the Owners received an advantage through knowledge of our day-to-day operations and Know-how. You and the Owners agree to comply with the covenants in §14 to protect the Intellectual Property and our franchise system.

14.2. Intellectual Property and Confidential Information. You and the Owners agree to: (a) refrain from using any Intellectual Property or Confidential Information in any business or for any purpose other than the operation of your Academy pursuant to this Agreement; (b) maintain the confidentiality of all Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) stop using the Intellectual Property and Confidential Information 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 Intellectual Property and Confidential Information immediately at the time he or she ceases to be an Owner).

14.3. Unfair Competition. You and the Owners may not engage in any Prohibited Activities during the Term or Post-Term Restricted Period. Notwithstanding the foregoing, you and the Owners may have an interest in a Competing Business during the Post-Term Restricted Period as long as the Competing Business is not located within, and does not provide competitive goods or services to students who reside 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 Competing 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

14.4. Family Members. Because (a) an Owner could circumvent the intent of §14 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild) and (b) it would be difficult for us to prove whether the Owner disclosed Confidential Information to the family member, each Owner agrees that he or she will be presumed to have violated the terms of §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 Confidential Information. However, the Owner may rebut this presumption with evidence conclusively showing he or she did not disclose Confidential Information to the family member.

14.5. Employees. You must ensure all employees, officers, directors, independent contractors and other Persons associated with you or your Business sign and send us a Confidentiality Agreement before they are given access to any Confidential Information. You must: (a) use best efforts to ensure these individuals comply with the Confidentiality Agreements; (b) immediately notify us of any breach that comes to your attention; and (c) reimburse us for all expenses we incur to enforce a Confidentiality

Agreement, including attorneys' fees and court costs.

14.6. **Covenants Reasonable.** You and the Owners agree that: (a) the covenants in §14 are reasonable both in duration and geographic scope; (b) our use and enforcement of similar covenants with other franchisees benefits you and the Owners by preventing them from unfairly competing with your Academy; and (c) you and the Owners have sufficient resources, business experience and opportunities to earn an adequate living while complying with the covenants in §14.

14.7. **Breach of Covenants**. You and the Owners agree that: (a) any breach of §14 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at Law; and (b) we are entitled to injunctive relief if you or an Owner breaches §14, together with any other relief available at equity or Law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may 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.

15. YOUR OTHER RESPONSIBILITIES

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

Policy Type	Minimum Coverage
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 (only required if you transport students)	$1,000,000 per occurrence and $1,000,000 in the aggregate
Sexual Abuse/Molestation Insurance	$100,000 per occurrence and $300,000 in the aggregate
Commercial Umbrella Insurance	$2,000,000 per occurrence and $2,000,000 in the aggregate (if you do not transport students)
	$5,000,000 per occurrence and $5,000,000 in the aggregate (if you transport students)
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

You must provide us with proof of coverage: (a) prior to opening; (b) within 10 days after the renewal of a policy; and (c) at any other time on demand. You must obtain these policies from licensed insurance carriers rated A or better by AM Best. Your policies must comply with all requirements in the Manual and be endorsed to: (a) name us and our members, officers, directors, and employees as additional insureds; (b) waive all subrogation rights against us; and (c) provide that we receive at least 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any policy fails to meet these criteria, we may disapprove the policy and you must immediately secure a new policy meeting our criteria. Upon 10 days' notice, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance due to inflation, special risks, changes in Law or standards of liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain a required policy, we may, at our option, obtain the policy on your behalf. If we do so, you must promptly sign any application or other form required to obtain the policy and reimburse us for all premiums and other costs 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.

(a) Generally. You must prepare all reports we require including, without limitation, the reports described below. Reports must be prepared in the form and manner we specify. You must send us a copy of any report we require upon request. We also have the right to independently access your Technology Systems to retrieve and compile Business Data and generate any reports we deem appropriate, including Gross Revenue reports.

(b) Report of Initial Investment Costs. To assist us in updating our Franchise Disclosure Document, you must complete and send us a report, in the form we designate, listing all expenses you incur in connection with the development and opening of your Academy. You must send us the report within 60 days after the opening date of your Academy.

(c) Gross Revenue Reports. No later than the fifth (5^{th}) day of each month, you must prepare and send us a monthly statement of your Gross Revenue for the prior month. If you miscalculate Gross Revenue, you must notify us of the error no later than the end of the next Gross Revenue reporting period. Otherwise, you will not be entitled to any refund or credit of any fees paid to us based on previously reported Gross Revenue.

(d) Advertising Expenditure Reports. No later than the fifth (5^{th}) day of each month, you must prepare and send us a monthly report detailing your expenditures incurred during the prior month on local advertising required by §10.3(a). All advertising expenditure reports must include copies of receipts for the reported expenditures.

15.4. Financial Statements. Within 90 days after the end of each calendar year, you must prepare and send us a balance sheet (as of the end of the calendar year) and profit and loss statement for the prior calendar year. 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 we reasonably require. We may require that your financial statements be reviewed or audited by a certified public accountant if you submit materially inaccurate financial statements on a prior occasion. You must send us a copy of any financial statement required by this Section upon request. You hereby authorize us to disclose Operational Data to prospective franchisees, Governmental Authorities and other Persons for any reasonable business purpose, provided the disclosure is not prohibited by applicable Law.

15.5. Legal Compliance. You must: (a) secure and maintain all required licenses, permits and regulatory approvals; (b) operate your Academy in compliance with all applicable Laws, including child protection Laws requiring you to conduct background and criminal record checks on Owners and staff members who may interact with children and report evidence of child abuse or neglect to the proper authorities); (c) notify us in writing within two (2) business days after you become aware of any Claim, or any order, demand or disciplinary action issued by a Governmental Authority, that may adversely affect the operation of your Academy; and (d) immediately send us a copy of any inspection report or other communication from a Governmental Authority alleging violation of a health or safety Law.

15.6. Ownership and Protection of Data. We are the exclusive owner of all Business Data collected by you, us or any other Person. We hereby grant you a license to utilize the Business Data solely for purposes of operating your Academy in compliance with this Agreement. We may require you to share Operational Data with suppliers we designate 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 and Governmental Authorities at our discretion. You must protect all Customer 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 must comply with all applicable data protection Laws and our data processing and data privacy policies in the Manual (if any). Upon our request, you must sign any data processing or data privacy agreement required by us or by Law. You further agree to: (a) obtain, maintain and adhere to all applicable compliance standards established by PCI-DSS; (b) 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 you store, process, transmit or come in contact with; (c) promptly notify us if you suspect there is, or has been, a security breach or potential compromise of any such credit card information; (d) 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 (e) promptly notify us of any noncompliance with PCI-DSS requirements to discuss your remediation efforts and timeline.

16. INSPECTION AND AUDIT

16.1. **Inspections.** For quality control purposes and to ensure compliance with this Agreement, we (or our representative) may enter your Academy, evaluate your operations and inspect your books, records, accounts and tax returns. We will determine the scope of the inspection, which may include, among other things, watching or participating in classes and speaking with your managers, teachers, students and landlord. We may conduct inspections at any time without prior notice (if you operate a Traditional Academy) or upon 24 hours' prior notice (if you operate a Home-Based Academy). During the inspection, we (or our representative) will use reasonable efforts to minimize any interference with the operation of your Academy. You and your employees must cooperate and not interfere with the inspection. You consent to us accessing your Technology Systems and retrieving any Business Data we deem appropriate. You must reimburse us for all Travel Expenses and other costs we incur to conduct an inspection to determine if you remedied a: (a) health or safety issue identified by a Governmental Authority; or (b) breach of system standards we bring to your attention. We bear the cost of all other inspections.

16.2. **Audit.** We may audit your books and records at any time. You must fully cooperate with us and any Person 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 §13.4. You must reimburse us for the cost of any audit (including reasonable accounting and attorneys' fees and Travel Expenses incurred by us or the auditor) that: (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 owed to us by at least 2%. We bear the cost of all other audits. We shall not be deemed to have waived our right to terminate this Agreement by accepting reimbursement of our audit costs.

17. INTELLECTUAL PROPERTY

17.1. **Ownership and Use**. You acknowledge that: (a) we are (or our affiliate is) the exclusive owner of the Intellectual Property and the associated goodwill; (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 to operate your Academy during the Term pursuant to, and only in compliance with, this Agreement and the Manual. 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 must comply with all provisions in the Manual governing use of the Intellectual Property. You will not acquire any goodwill, title or interest in or to the Intellectual Property.

17.2. **Changes to Intellectual Property**. We may change the Intellectual Property at any time in our sole discretion, including the Copyrighted Materials, Know-how (including the Curriculum and Teaching Methodology) and/or Marks. You must, at your expense, implement all Intellectual Property changes we require in accordance with our instructions. We are not liable for any expenses, losses or damages you incur (including the loss of any goodwill associated with a Mark) due to a change to the Intellectual

Property. Notwithstanding the foregoing, if we allow you to operate under an approved Academy Tradename, we will not require you to change the Academy Tradename once it has been approved unless it infringes on the rights of a third party.

17.3. **Use of Marks**. You agree to: (a) use the Marks as the sole identification of your Academy; *provided, however*, that you must identify yourself as the independent owner of your Academy in the manner we prescribe; (b) prominently display the Marks in the manner we prescribe on or in connection with any advertising, promotional materials, displays, receipts, stationery and forms we designate to give notice of trademark and service mark registrations and copyrights; and (c) obtain any fictitious or assumed name registrations required by applicable Law. You may not: (a) 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 we license to you); (b) use the Marks when signing a contract, lease, check or other agreement or in any other manner that may cause confusion or imply we are liable for your obligations; (c) register or attempt to register any Marks, or any other trademarks confusingly similar to the Marks, with any Governmental Authority; or (d) challenge or contest the validity or ownership of our Marks. This §17.3 shall not apply if we authorize your to operate under an Academy Tradename except to the extent we allow (or require) you to also use any of our Marks.

17.4. **Use of Know-how**. We disclose our proprietary Know-how to you during training programs, in the Manual and through other guidance furnished during the Term. You do not acquire any interest in the Know-how other than the right to utilize it, during the Term, solely for purposes of developing and operating your Academy in compliance with this Agreement and the Manual.

17.5. **Improvements**. If you, an Owner or your employee conceives of or develops an Improvement, you must send us a written notice describing the Improvement. You must obtain our approval prior to using any such Improvement. Any Improvement we approve may be used by us and any third parties we authorize to operate an Academy, without any obligation to pay royalties or other fees to you or any other Person. You or your Owner or employee, as applicable, must assign to us or our designee, without charge, all rights to the Improvement, including the right to grant sublicenses. In return, we will authorize you to use Improvements developed by other Persons that we approve for use in connection with the operation of an Academy. Notwithstanding the foregoing, we will not be deemed to own any rights to an Academy Tradename that we propose and we approve.

17.6. **IP Disputes**. You must immediately notify us of any IP Dispute. You may not communicate with any Person other than us and our counsel in connection with any IP Dispute. We have sole discretion in deciding what action, if any, to take in response to the IP Dispute. We may exclusively control any litigation or other proceeding relating to the IP Dispute. You must execute all documents, render all assistance, and perform all acts that are, in our counsel's opinion, necessary or advisable to protect or maintain our interest in the litigation or proceeding and/or protect 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 they incur as a result of or in connection with:

(a) the development, marketing, use or operation of your Academy;

(b) the breach of a Definitive Agreement committed by you or your Owners or affiliates;

(c) the breach of an agreement with a third party committed by you or your Owners or affiliates;

(d) any Claim alleging that an Academy Tradename you propose and we approve infringes on another Person's intellectual property rights;

(e) any Claim relating to taxes or penalties a Governmental Authority assesses against us as a direct result of your failure to pay or perform functions required of you under this Agreement;

(f) libel, slander or disparaging comments made by you or your Owners, officers, employees or independent contractors regarding our Curriculum, our education program, an Academy or an Indemnified Party (this provision does not apply to disclosure of truthful information to Governmental Authorities);

(g) any labor, employment or similar type of Claim pertaining to your employees (including Claims alleging we are a joint employer of your employees) or our relationship with you or your Owners (including Claims alleging we are an employer of you and/or any of your Owners); or

(h) any actions, investigations, rulings or proceedings conducted by any Governmental Authority (including the United States Department of Labor, Equal Employment Opportunity Commission or National Labor Relations Board) relating to your employees.

You and your Owners must immediately notify us of any Claim or proceeding described above. The Indemnified Parties 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 the Claim. You may participate in such defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of the Claim and reimburse them for all costs and expenses they incur in defending the Claim, including, without limitation, mediation, arbitration or court expenses, expert fees and Travel Expenses incurred by attorneys or expert witnesses to attend mediation, arbitration or legal or administrative proceedings or hearings relating to the matter. Your indemnification obligations shall continue in full force and effect after, and notwithstanding, the Transfer, termination or expiration of this Agreement.

Provided that you are in full compliance with all Definitive Agreements, we will indemnify you and your Owners and hold them harmless for, from and against any and all Losses and Expenses they incur as a result of or in connection with any Claim asserted against you and/or your Owners alleging that your use of the Mark SEASHORE ACADEMY® (or the associated logo) in strict compliance with the terms of this Agreement and the Manual violates another Peron's intellectual property rights. You must promptly notify us of any such Claim and fully cooperate with our defense of the 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 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 are granting you franchise rights in reliance upon the character, skill, attitude, business ability and financial resources 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 approval. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. We will not unreasonably withhold approval if all of the following conditions are satisfied:

(a) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to own and operate an Academy and meets our minimum criteria for franchisees;

(b) you and your affiliates and Owners are in full compliance with all Definitive Agreements;

(c) the transferee's owners successfully complete, or make arrangements to attend, the initial training program and the transferee pays us any applicable training fee;

(d) your landlord consents to the assignment of your lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Territory (only required if you operate a Traditional Academy and lease the premises);

(e) the transferee and its owners obtain all licenses and permits required by applicable Law to own and operate the Academy;

(f) the transferee and its owners sign our then-current form of franchise agreement (unless we instruct

you to assign this Agreement to the transferee) except that: (i) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (ii) the transferee need not pay a separate initial franchise fee;

(g) you or the transferee pay us a $2,500 transfer fee to defray expenses we incur in connection with the Transfer;

(h) the transferee agrees to upgrade all furniture, fixtures and equipment to conform to our then-current standards and specifications (these changes must be completed within 12 months after the Transfer or such shorter period of time we specify);

(i) you and your Owners sign a General Release; and

(j) you or the transferring Owner, as applicable, and the transferee satisfy all other conditions we reasonably require as a condition to approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any Claims we have against the transferor or our right to demand the transferee comply with all terms of the franchise agreement.

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 the Franchisee Entity immediately prior to the Permitted Transfer to sign a corporate guarantee in the format we require to secure performance of the new Franchisee Entity's financial obligations under all Definitive Agreements. You and the Owners (and the transferee) must sign all documents we reasonably request to effectuate and document the Permitted Transfer.

19.4. Owner Death or Disability. Within 180 days after an Owner's death or permanent disability, the Owner's Equity Interest in the Business or Franchisee Entity must be Transferred to another Person in compliance with §19.2 or §19.3. An Owner is deemed to have a "permanent disability" only if he/she has a medical or mental problem preventing him/her from substantially complying with his/her obligations under this Agreement or operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

20. TERMINATION

20.1. By You. You may terminate this Agreement if we fail to cure a material breach within 90 days after you send us a default notice specifying the nature of the breach. If you terminate pursuant to §20.1, you must still comply with your post-term obligations described in §21 (other than payment of liquidated damages) and all other obligations that survive the termination of this Agreement.

20.2. By Us. We may terminate this Agreement, effective upon delivery of a written notice of termination to you, for any of the following reasons, all of which constitute material events of default and "good cause" for termination, and without opportunity to cure except as expressly set forth below:

(a) if you are insolvent due to your inability to pay your debts as they become due;

(b) if 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 you are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(c) if your Academy, or substantially all of its assets, are seized by a Government Official or taken over or foreclosed upon by a creditor, lienholder or lessor;

(d) if a final judgment against you remains unsatisfied for 30 days unless a supersedes or other appeal bond has been filed;

(e) if the Managing Owner fails to satisfactorily complete initial training as required by §5.1;

(f) if you fail to obtain our approval of your site, or you fail to open, before the associated deadlines

set forth in §7.1 or §7.3, respectively;

(g) if you abandon or fail to operate your Academy for three (3) consecutive business days unless due to Force Majeure (in which case §24.6 governs) or another reason we approve;

(h) if a Governmental Authority suspends or revokes a license or permit required to lawfully operate the Academy unless the suspension or revocation is overturned within 20 days thereafter;

(i) if you (or an Owner) (i) are subject to a material administrative disciplinary action or (ii) plead no contest to, or are convicted of, a felony or other material crime;

(j) if you (or an Owner) fail to comply with a material Law applicable to your Academy;

(k) if you (or an Owner) commit an act that can reasonably be expected to materially and adversely affect the reputation or goodwill associated with the Marks;

(l) if you operate the Academy in a manner that presents a health or safety hazard to your customers, employees or the public and fail to cure within 24 hours after notice from us;

(m) if you (or an Owner) make a material misrepresentation to us at any time;

(n) if you underreport amounts owed to us by at least 2% on two (2) or more occasions;

(o) if you fail to pay any amount owed to us, our affiliate or an approved or designated supplier within 10 days after demand for payment (subject to your right to dispute, in good faith, amounts owed to third-party suppliers in accordance with §11.7(d));

(p) if you (or an Owner) make an unauthorized Transfer;

(q) if you (or an Owner) use the Intellectual Property in an unauthorized manner;

(r) if you (or an Owner) breach any brand protection covenant described in §14;

(s) if an Owner (or their spouse) breaches a Franchise Owner Agreement;

(t) if you operate a Traditional Academy and your lease is terminated due to your default;

(u) if we send you three (3) or more default notices within a 12-month period (even if cured);

(v) if we (or our affiliate) terminate a Definitive Agreement due to a default committed by you (or your affiliate) or an Owner; or

(w) if you (or an Owner) breach any other provision of this Agreement (including any mandatory provision in the Manual) and fail to cure within 30 days after receipt of a default notice.

If we send you a default notice we may cease to perform our obligations under this Agreement until you cure the breach, unless our failure to perform would materially impair your ability to cure.

20.3. <u>By Mutual Agreement</u>. If you and we mutually agree in writing to terminate this Agreement, any notice or cure period that might otherwise apply shall be deemed waived.

21. POST-TERM OBLIGATIONS.

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

(a) immediately cease to use the Intellectual Property;

(b) pay us all amounts you owe including, if applicable, liquidated damages pursuant to §21.2;

(c) comply with all covenants in §14 that apply after the expiration, termination or Transfer of this Agreement or disposal of an Owner's entire Equity Interest in the Business or Franchisee Entity;

(d) comply with our instructions to return or destroy all copies of the Manual (including the Curriculum) and Copyrighted Materials and all signs, teaching materials, brochures, advertising and promotional materials, forms and other materials bearing the Marks or containing Confidential Information;

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

(f) comply with our data retention policies pertaining to the Business Data;

(g) provide us with a list of all of your current, former and prospective students and the contact information for their parents (you acknowledge that the list of students, and all Customer Data, is owned by us and you may not use this data for any purpose after the franchise relationship ends);

(h) assign all enrollment agreements to us or our designee;

(i) notify all telephone, listing and domain name registration companies of the termination or expiration of your right to use: (i) any telephone numbers and/or domain names associated with your Academy; and (ii) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the foregoing companies 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 these companies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(j) 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.

Subsections (d), (h) and (i) above shall not apply if you Transfer your Academy to an approved transferee or we exercise our right to purchase your Academy. If an Owner transfers his or her entire Equity Interest in the Business or Franchisee Entity, but you continue to operate the Business pursuant to this Agreement, then this Section shall not apply to you (or to any remaining Owner) and the former Owner shall be subject only to the obligations set forth in subsections (a) and (c) above.

21.2. **Liquidated Damages**. You must pay us liquidated damages if either: (a) we terminate this Agreement due to your default; or (b) you terminate this Agreement without cause or in any manner other than as permitted by §20.1 or §20.3. Liquidated damages are calculated as the greater of: (1) $30,000; or (2) the product of Average Monthly Fees multiplied by the lesser of (x) 36 or (y) the total number of full months remaining under the Term as of the termination effective date. Average Monthly Fees means:

(i) the total amount of Enrollment Fees and Brand Fund Fees imposed during the 12-month period preceding termination, divided by 12 (if your Academy was open at least 12 full months prior to termination); or

(ii) the total amount of Enrollment Fees and Brand Fund Fees imposed between your opening date and the termination date, divided by the total number of months between your opening date and the termination date (if your Academy was open less than 12 full months prior to termination).

Liquidated damages are due 30 days after we send you an invoice detailing our calculation of liquidated damages. Liquidated damages are in addition to and not in lieu of: (a) any fees or other amounts incurred by you prior to the termination of this Agreement, all of which must be paid by you in accordance with the terms of this Agreement; or (b) any damages we or our affiliate incur as a result of your breach of this Agreement; *provided, however*, that we may not pursue a claim against you for recovery of lost future profits if you pay us all liquidated damages owed when due. The parties agree the amount of liquidated damages set forth in this Section is in proportion to, and is necessary to protect, our legitimate interests, including: (a) encouraging our franchisees to commit to the 10-year franchise relationship in which both parties have already invested time and expense to develop; (b) the time and expense we will incur to recruit a new franchisee to acquire franchise rights to the Territory; (c) the time and expense we will incur to ensure your timely and orderly departure from our franchise network; (d) protecting the reputation and goodwill associated with our Marks; and (e) partially

compensating us for financial damages we will incur as a result of your breach (or wrongful termination). If this liquidated damages clause is determined to be unenforceable under applicable Law, then we will be limited to pursuing actual damages we incur as a result of your default or improper termination.

22. DISPUTE RESOLUTION.

22.1. **Negotiation and Mediation**. Except as otherwise provided below with respect to Excluded Claims, the parties shall attempt in good faith to resolve any Dispute through informal discussions and negotiations. If these efforts are unsuccessful, the parties agree to submit the Dispute to mediation before a mutually-agreeable mediator prior to arbitration. All negotiations and mediation proceedings (including all discovery conducted therein and statements and settlement offers made by either party or the mediator in connection with the mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. Any Dispute involving claims alleging a breach of §14, §17 and/or §21 (referred to as "Excluded Claims") will not be subject to mandatory negotiation or mediation.

22.2. **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 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. Any Dispute involving an Excluded Claim will not be subject to mandatory arbitration unless both parties agree.

22.3. **Litigation**. If a Dispute involves an Excluded Claim, then either party may file a lawsuit in any state or federal court of general jurisdiction in accordance the choice of venue provision set forth below. The parties hereby express their clear and unequivocal intent that a court, rather than a mediator or arbitrator, shall have exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an alleged Excluded Claim (i.e., whether any claims allege a breach of §14, §17 or §21).

22.4. **Venue**. 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).The parties irrevocably waive any objection to such venue and, with respect to litigation proceedings, submit to the jurisdiction of such courts.

22.5. **Attorney's Fees and Costs**. If either party must enforce this Agreement in a judicial or arbitration proceeding, the substantially prevailing party is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees and arbitration costs. In addition, if you or an Owner breach any term of a Definitive Agreement, you must 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 commencement of formal dispute resolution proceedings.

22.6. **Waivers**. UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF §14, §17 OR §21) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION OR FILING A LAWSUIT (FOR AN EXCLUDED CLAIM) 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 BROUGHT BY A PARTY.

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, and shall be enforceable against, the Franchisee Entity in accordance with its terms.

23.2. **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 are governed by the Laws of California without reference to its principles of conflicts of law, but any Law 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. If your Academy is located outside of California, the public policies of the state in which your Academy is located shall govern the enforceability of non-competition covenants notwithstanding the California choice of law provision set forth above.

24.2. **Relationship of the Parties.** Nothing in this Agreement creates a fiduciary relationship between the parties or is intended to make either party a general or special agent, legal representative, joint venture, partner, employee or servant of the other for any purpose. Throughout the Term you must, in all dealings with third parties, conspicuously identify yourself as a franchisee and the independent owner of your Academy. We may require that you display a written notice of independent ownership, in the form we prescribe, at any location within your Academy that we specify. You must also include a written indication of independent ownership on all agreements, forms, letterhead, advertising materials, business cards and other materials that we specify. Neither party may: (a) make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other; or (b) represent that our relationship is other than franchisor and franchisee. In addition, neither party will be obligated by any agreements or representations made by the other that are not expressly authorized by this Agreement.

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

24.4. **Waivers.** Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement, including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party's failure to comply with such terms, 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 require the other party to strictly comply

with its obligations under this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other franchisees; or (d) our acceptance of payments from you after your breach.

24.5. Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval. Our 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 party shall be liable for loss or damage or deemed to be in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however*, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving written notice of termination to the other party.

24.7. Binding Effect. This Agreement is binding on the parties hereto 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 not a party to this Agreement; *provided, however*, that the additional insureds listed in §15.1 and the Indemnified Parties are intended third-party beneficiaries under this Agreement with respect to §15.1 and §18, respectively.

24.8. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY §11.2 AND §24.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. In addition, our issuance of a Site Approval Notice 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. There are no other oral or written understandings or agreements between the parties 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. 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. Good Faith Covenant. If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations inconsistent with the express terms hereof. 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. 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, but without considering the individual interests of you or any other franchisee.

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 Equity Interest in the Business or Franchisee Entity, 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, §13, §14, §16, §18, §21, §22 and §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, 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: (a) hand delivery; (b) registered or certified air mail, postage prepaid, return receipt requested; (c) special delivery service (*e.g.*, Federal Express, DHL, UPS, *etc.*); or (d) email, in each case 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 2618 San Miguel Drive, #270 Newport Beach, California 92660 Attention: Chief Executive Officer Email: Dandler@seashoreacademy.org

Notice is deemed given on the earliest to occur of: (i) the date delivered by hand; (ii) the third (3rd) business day after placed in the mail or provided to special delivery services in accordance with clause (b) or (c) above; or (iii) the first (1st) calendar day after sent by email.

[Signature Page Follows]

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: _____

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 Person holding a direct or indirect Equity Interest in the Franchisee Entity, and spouse of each such Person who is a natural Person, must sign the Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each Person holding a direct or indirect Equity Interest in the Business or Franchisee Entity, as applicable, along with a description of their Equity Interest.

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

Notice Address: _____
_____
_____
Attention: _____
Email: _____

B. Academy Name

You have elected to operate your Academy under the following name (franchisor to check box):

____ SEASHORE ACADEMY®

____ An Academy Tradename you select and we approve (complete the below)

If applicable, we hereby approve the following Academy Tradename for your Academy:

[_____]

By signing the below, the parties acknowledge and agree upon the Academy Tradename listed above (no signature needed if you choose to operate under the name SEASHORE ACADEMY®.

US:	**YOU:**
By: _____	By: _____
Name: _____	Name: _____
Date: _____	Date: _____

C. Franchise Model

You have elected to operate under the following model (franchisor to check box):

____ Home-Based Academy

____ Traditional Academy

D. Initial Franchise Fee

The amount of your initial franchise fee is as follows (franchisor to check box by appropriate amount):

____ Standard Initial Franchise Fee: $11,995 (no discount)

____ Veteran's Discount: $10,795 (10% discount)

____ Manager / Teacher Discount: $10,195 (15% discount)

____ Multi-Unit Discount (Academy 2+): $10,195 (15% discount))

E. 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.*

F. 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 this Agreement is signed, we will send you a Site Approval Notice in accordance with §7.1 listing the address of your approved site.*

G. Territory

The Territory referenced in the Franchise Agreement consists of, and shall be limited to, the following geographic area (as may be further depicted on a map attached below or the following page):

[_____]

If the boundaries that define the Territory change during the Term, the boundaries of your Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date (as may be depicted on a map attached below or on the following page).

** If the site for your Academy has not been approved by us at the time this Agreement is signed, we will send you a Site Approval Notice in accordance with §0 identifying the geographic area that comprises your Territory).*

[Insert Map (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 §0 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 the boundaries that define the Territory change during the Term, the boundaries of your Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the date hereof (as may be depicted on a map attached below or 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

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. Capitalized terms not defined above have the meanings given to them below, or if not defined below, the meanings given to them in the Franchise Agreement:

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

"*Franchisee*" means _____.

"*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 own any direct or indirect Equity Interest; or (c) the date on which neither you nor your spouse own any Equity Interest in the Business or Franchisee Entity; *provided however*, that if a court of competent jurisdiction determines this period of time is too long to be enforceable then 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 own any direct or indirect Equity Interest; or (c) the date on which neither you nor your spouse own any Equity Interest in the Business or Franchisee Entity.

2. BACKGROUND. In your capacity as an Owner (or the spouse of an Owner) of Franchisee, you may have access to our Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. In addition, you understand that certain terms of the Franchise Agreement apply to "Owners" and not just Franchisee. You agree to comply with this Agreement 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 and Confidential Information. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any capacity or for any purpose other than the operation of Franchisee's Academy in compliance with the Franchise Agreement and Manual; (ii) at all times maintain the confidentiality of the Confidential Information; (iii) refrain from making unauthorized copies of documents containing Confidential Information; (iv) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (v) immediately stop using the Intellectual Property and Confidential Information at such time that you are (or your spouse is) no longer an owner of Franchisee. 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 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. You may not engage in any Prohibited Activities at any time: (i) that you are (or your spouse is) an owner of Franchisee; or (ii) during the Restricted Period. Notwithstanding the foregoing, you may have an interest in a Competing Business during the Restricted Period as long as the Competing Business is not located within, and does not provide competitive goods or services to students who reside within, the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period (other than having an interest in a Competing Business permitted by this Section), your Restricted Period will be extended by the period of time during which you engaged in the Prohibited Activity. Any such extension of time will not constitute a waiver of your breach or impair any of our rights or remedies relating to your breach.

(c) Family Members. You could circumvent the purpose of §3 by disclosing Confidential Information to immediate family members (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove your breach. For that reason you are presumed to have breached this Agreement if an immediate family (i) engages in any Prohibited Activities at any time that you are prohibited from doing so or (ii) uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

(d) Covenants Reasonable. You agree that: (i) the covenants in §3 are reasonable in duration and geographic scope; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with these covenants. Although you and we believe the covenants in §3 are reasonable we may, upon written notice to you, unilaterally modify the brand protection covenants in §3 of this Agreement by limiting the scope of the Prohibited Activities, narrowing the definition of a Competing 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 §3 of this Agreement to ensure the covenants are enforceable under applicable law.

(e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed $1,000. No remedy available to us under this Agreement is 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**. We must approve all Persons who own Equity Interests in the Business or Franchisee Entity. If you are an owner of Franchisee, you agree that you will not Transfer any Equity Interest in the Business or Franchisee Entity except in accordance with §19 of the Franchise Agreement.

5. **FINANCIAL SECURITY**. In order to secure Franchisee's financial obligations under the Franchise Agreement and all other Definitive Agreements (collectively, the "Secured Agreements") you hereby personally and unconditionally: (a) guarantee to us and our successors and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) 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. **REPRESENTATION**. You represent you received a fully executed copy of the Franchise Agreement.

7. **DISPUTE RESOLUTION**. Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution provisions set forth in the Franchise Agreement, which are incorporated into this Agreement by reference as if fully set forth herein. **You acknowledge and agree that your breach of this Agreement constitutes a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.**

8. **MISCELLANEOUS**.

   (a) If either party hires an attorney or files suit against the other party for breach of this Agreement, the losing party must reimburse the prevailing party for its reasonable attorneys' fees and costs.

   (b) This Agreement is governed by the laws of California and the courts in that state have jurisdiction over any legal proceedings arising out of this Agreement. If you reside outside of California, the public policies of the state in which you reside shall govern the enforceability of non-competition covenants notwithstanding the California choice of law provision set forth above

   (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 (and portion thereof) is severable. If any section (or portion thereof) is unenforceable, it shall not affect the enforceability of any other section (or portion thereof). A court may revise any provision of this Agreement to the extent necessary to make the provision enforceable.

   (e) We may deliver to you any notice contemplated by this Agreement in the same manner and to the same address listed in the notice provision 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.

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:_____

ATTACHMENT "D"

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 "E"

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").

1. DEFINITIONS. Capitalized terms that are not defined above have the meanings given to them below:

"*Academy*" means any private education business that we authorize to use our Curriculum and Teaching Methodology.

"*Business Data*" means all data pertaining to Franchisee's Academy, students (and families of the students) and business operations, whether collected by you, Franchisee, us or any other person.

"*Confidential Information*" means and includes: (a) Know-How (including the Curriculum and Teaching Methodology); (b) Business Data; (c) information in the Manual; (d) terms of the Franchise Agreement (and related agreements) signed by Franchisee in connection with the Academy; and (e) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee's owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we (or any person associated with us) or Franchisee (or any person associated with Franchisee) disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

"*Copyrighted Materials*" means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of an Academy.

"*Curriculum*" means our proprietary academic curriculum used to teach classes at a Seashore Academy, as modified by us from time to time.

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

"*Improvement*" means any idea, addition, modification or improvement to the (a) goods or services offered or sold at an Academy, (b) method of operation of an Academy, (c) processes, systems or procedures utilized by an Academy, (d) marketing, advertising or promotional materials, programs or strategies utilized by an Academy or (e) trademarks, service marks, logos or other intellectual property utilized by an Academy, whether developed by you, Franchisee, us or any other person.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how and Marks.

"*Know-how*" means and includes our (and our affiliates') trade secrets and other proprietary information relating to the marketing or operation of an Academy including, but not limited to: the Curriculum; the Teaching Methodology; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; and financial information.

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

"*Marks*" means and includes all service marks, trademarks, trade names, logos and taglines that we designate from time to time and authorize or require Academies to use, including SEASHORE ACADEMY® and the associated logo (for traditional Academies) or the tagline "A SEASHORE ACADEMY® Certified Education Center" (for home-based Academies). The Marks also include any distinctive trade dress used to identify an

Academy. The Marks also include any distinctive trade dress used to identify an Academy.

"*Teaching Methodology*" means our proprietary teaching and educational methodologies, techniques, processes and strategies used to teach students in accordance with our Curriculum.

2. **BACKGROUND.** You are an employee or independent contractor of Franchisee. As a result of this association, you may have access to our 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 franchise system if you were to unfairly compete with us or misuse our Intellectual Property. To avoid such damage, you agree to comply with the terms of this Agreement.

3. **INTELLECTUAL PROPERTY & CONFIDENTIAL INFORMATION**. You agree to: (a) refrain from using the Intellectual Property or Confidential Information in any business or for any purpose other than the operation of Franchisee's Academy; (b) maintain the confidentiality of all Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing any Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) immediately stop using the Intellectual Property and Confidential Information at such time that you are no longer an employee or independent contractor of Franchisee. 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 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.

4. **FAMILY MEMBERS**. You could circumvent the purpose of this Agreement by disclosing Confidential Information to immediate family members (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove your breach. For that reason you are presumed to have breached this Agreement if an immediate family uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

5. **BREACH**. You agree that: (a) any failure to comply with this Agreement is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (b) we are entitled to injunctive relief if you breach this Agreement together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may 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.

6. **MISCELLANEOUS**.

   (a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you must reimburse us for our reasonable attorneys' fees and costs.

   (b) This Agreement is governed by the laws of California and the courts in that state have jurisdiction over any legal proceedings arising out of this Agreement.

   (c) Each section of this Agreement (and portion thereof) is severable. If any section (or portion thereof) is unenforceable, it shall not affect the enforceability of any other section (or portion thereof). A court may revise any provision of this Agreement to the extent necessary to make the provision enforceable.

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

By:_____

Name:_____

Date:_____

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

OTHER AGREEMENTS

EXHIBIT "D"-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 earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

5. The Franchise Agreement and Supplemental Agreements require binding arbitration. The arbitration will occur in California with the costs being equally borne by the parties.

6. 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.

7. 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.).

8. 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.

9. 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.

10. 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.

11. 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).

12. 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/.

13. 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.

14. The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

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 "D"-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 "E"

TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (Current Franchisees)

The following table lists our franchisees that were open as of December 31, 2024.

FRANCHISEES OPEN AS OF DECEMBER 31, 2024				
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, 2024.

FRANCHISEES NOT OPEN AS OF DECEMBER 31, 2024				
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.

Part B (Former Franchisees Who Left System During Prior Fiscal Year or Haven't Communicated With Us Within 10 Weeks Prior to the Issuance Date of this FDD)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)

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]

Freedom Learning, LLC

Independent Auditor's Report
And
Financial Statements
December 31, 2024 and 2023

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Metwally CPA PLLC
CERTIFIED PUBLIC ACCOUNTANT
1312 Norwood Dr STE 100, Bedford, Texas 76022
Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Members of
Freedom Learning, LLC

Opinion

We have audited the accompanying financial statements of Freedom Learning, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Freedom Learning, LLC as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 6 to the financial statements, the Company has a net loss for the years ended December 31, 2024 and 2023 of $42,683 and $63,205, respectively. The Company also has a low liquidity level in comparison to its short-term obligation. This raises substantial doubt about its ability to continue as a going concern. Management's plan in this regard is also described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in note 4 to the financial statements, the Company has extensive transactions and relationships with its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations.

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
Bedford, Texas
February 19, 2025

Freedom Learning, LLC
Balance Sheets
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,878	$ 13,060
Prepaid expenses	4,080	10,000
Total Current Assets	**8,958**	**23,060**
Total Assets	**$ 8,958**	**$ 23,060**
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued liabilities	$ 3,980	$ 18,511
Due to related parties	129,882	140,408
Total Current Liabilities	**133,862**	**158,919**
Total Liabilities	**133,862**	**158,919**
Members' Equity (Deficit)		
Members' equity (deficit)	(124,904)	(135,859)
Total Members' Equity (Deficit)	**(124,904)**	**(135,859)**
Total Liabilities and Members' Equity (Deficit)	**$ 8,958**	**$ 23,060**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Initial franchise fees	$ -	$ 71,550
Total Revenues	**-**	**71,550**
Operating Expenses		
Consulting	19,920	9,600
Legal and professional	19,024	26,418
General and administrative	3,739	9,639
Commission expense	-	49,500
Franchise development	-	16,403
Salaries and wages	-	23,195
Total Operating Expenses	**42,683**	**134,755**
Operating Income / (Loss)	**(42,683)**	**(63,205)**
Net Income / (Loss)	**$ (42,683)**	**$ (63,205)**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Statements of Members' Equity (Deficit)
Years Ended December 31, 2024 and 2023

Members' Equity (Deficit) At December 31, 2022	**$ (128,277)**
Net income / (loss)	(63,205)
Members' contributions	160,000
Members' distributions	(104,377)
Members' Equity (Deficit) At December 31, 2023	**$ (135,859)**
Net income / (loss)	(42,683)
Members' contributions	110,000
Members' distributions	(56,362)
Members' Equity (Deficit) At December 31, 2024	**$ (124,904)**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Net income / (loss)	$ (42,683)	$ (63,205)
Adjustments to reconcile net income to net cash provided by operating activities		
Change in assets and liabilities		
Prepaid expenses	5,920	7,938
Deferred commission	-	49,500
Due from related parties	-	676
Accounts payable and accrued liabilities	(14,531)	13,941
Deferred revenue	-	(71,550)
Due to related parties	(10,526)	(34,440)
Net Cash Provided By (Used In) Operating Activities	**(61,820)**	**(97,140)**
Cash Flows From Investing Activities		
Net Cash Flows Provided By (Used In) Investing Activities	**-**	**-**
Cash Flows From Financing Activities		
Members' contributions	110,000	160,000
Members' distributions	(56,362)	(104,377)
Net Cash Flows Provided By (Used In) Financing Activities	**53,638**	**55,623**
Net Change In Cash And Cash Equivalent During The Year	**(8,182)**	**(41,517)**
Cash and cash equivalents - beginning of the year	13,060	54,577
Cash And Cash Equivalent - End of The Year	**$ 4,878**	**$ 13,060**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Notes To Financial Statements
December 31, 2024 and 2023

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 deposits with maturities of three months or less to be cash equivalents.

C. Federal Income Taxes

The Company is organized as a limited liability Company and is a disregarded entity for income tax purposes. The Company's accounts are included in the tax return of its members, and all taxes are assessed and paid at the individual member level. Therefore, no income tax liability for federal or state taxes has been recorded in the financial statement.

D. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the year, the total amount on deposit might 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.

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. It is at least reasonably possible that a change in the estimates will occur in the near term

F. 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 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 monthly.

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.

G. 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 EQUIVALENTS

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, 2024 and 2023, 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, 2024 and 2023, the Company had approximately $4,878 and $13,060, respectively in cash in its bank accounts.

4. RELATED PARTY TRANSACTIONS

Seashore Academy, LLC has a common ownership with Freedom Learning, LLC. On December 31, 2024 and 2023, the Company had a payable to the related party in the amount of $129,882 and $140,408, respectively, which resulted from various intercompany transactions. These amounts are presented in the accompanying balance sheet statements.

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 years ended December 31:

	2024	2023
Revenue recognized over time	$ -	$ -
Revenue recognized at a point in time	-	71,755
Total Revenue	**$ -**	**$ 71,755**

Contract Balances

The following table provides information about the change in the franchise deferred expenses balances during the years ended December 31:

	2024	2023
Beginning balance	$ -	$ 49,500
Additional deferred expenses	-	-
Expenses recognized – additional deferred expenses	-	(49,500)
Deferred expenses	**-**	**-**
Less: current maturities	-	-
Deferred expenses, net of current maturities	**$ -**	**$ -**

The following table provides information about the change in the franchise contract liability balances during the years ended December 31, 2024 and 2023, respectively. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	2024	2023
Beginning balance	$ -	$ 71,755
Additional deferred revenue	-	
Revenue recognized – additional deferred revenue	-	(71,755)
Deferred revenue	**-**	**-**
Less: current maturities	-	
Deferred revenue, net of current maturities	**$ -**	**$ -**

6. LIQUIDITY RISK

As shown in the accompanying financial statements, the Company had recurring net losses for the years ended December 31, 2024 and 2023 of $42,683 and $63,205 respectively. The Company also has a low liquidity level in comparison to its short-term obligation, inability to sell new franchises, negative cash flow from operation, and working capital deficiencies. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations. The financial statements do not include any adjustments related to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. Management's plans in connection with such concerns include implementing operations modification anticipated to increase efficiency and reduce operation costs. In addition, management has is working on various efficiencies to generate sales and increase profitability. The Company's members are also capable and willing of contributing more funds if needed. The Company's members have guaranteed the ongoing operation of the Company for the next twelve months.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2025, 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.

Freedom Learning, LLC

Independent Auditor's Report
And
Financial Statements
December 31, 2023 and 2022

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CERTIFIED PUBLIC ACCOUNTANT
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Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the members of
Freedom Learning, LLC

Opinion

We have audited the accompanying financial statements of Freedom Learning, LLC (the "Company") which comprise the balance sheets as of December 31, 2023 and 2022 and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Freedom Learning, LLC as of December 31, 2023 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 6 to the financial statements, the Company has a net loss for the years ended December 31, 2023 and 2022 of $63,205 and $196,554 respectively. The Company also has a low liquidity level in comparison to its short-term obligation. This raises substantial doubt about its ability to continue as a going concern. Management's plan in this regard is also described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in note 4 to the financial statements, the Company has extensive transactions and relationships with its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations.

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 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 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.

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
Bedford, Texas
June 10, 2024

Freedom Learning, LLC
Balance Sheets
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 13,060	$ 54,577
Prepaid expenses	10,000	17,938
Deferred commission, current portion	-	5,500
Due from related party	-	676
Total Current Assets	**23,060**	**78,691**
Non-Current Assets		
Deferred commission, net of current portion	-	44,000
Total Non-Current Assets	**-**	**44,000**
Total Assets	**$ 23,060**	**$ 122,691**
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued liabilities	$ 18,511	$ 4,570
Deferred revenue, current portion	-	7,950
Due to related party	140,408	174,848
Total Current Liabilities	**158,919**	**187,368**
Long Term Liabilities		
Deferred revenue, net of current portion	-	63,600
Total Long Term Liabilities	**-**	**63,600**
Total Liabilities	**158,919**	**250,968**
Members' Equity (Deficit)		
Members' equity (deficit)	(135,859)	(128,277)
Total Members' Equity (Deficit)	**(135,859)**	**(128,277)**
Total Liabilities and Members' Equity (Deficit)	**$ 23,060**	**$ 122,691**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC

Statements of Operations

Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Initial franchise fees	$ 71,550	$ 40,950
Total Revenues	**71,550**	**40,950**
Operating Expenses		
Commission expense	49,500	5,500
Salaries and wages	23,195	61,624
Legal and professional	26,418	40,875
Franchise development	16,403	73,794
General and administrative	9,639	23,305
Consulting	9,600	32,406
Total Operating Expenses	**134,755**	**237,504**
Operating Income / (Loss)	**(63,205)**	**(196,554)**
Net Income / (Loss)	**$ (63,205)**	**$ (196,554)**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Statements of Members' Equity (Deficit)
Years Ended December 31, 2023 and 2022

Members' Equity (Deficit) At December 31, 2021	**$ (22,830)**
Members' distributions	(33,893)
Members' contributions	125,000
Net income / (loss)	(196,554)
Members' Equity (Deficit) At December 31, 2022	**$ (128,277)**
Members' distributions	(104,377)
Members' contributions	160,000
Net income / (loss)	(63,205)
Members' Equity (Deficit) At December 31, 2023	**$ (135,859)**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net income / (loss)	$ (63,205)	$ (196,554)
Adjustments to reconcile net income to net cash provided by operating activities	-	-
Change in assets and liabilities		
Prepaid expenses	7,938	(17,938)
Deferred commission	49,500	(49,500)
Due from related party	676	(676)
Accounts payable and accrued liabilities	13,941	4,570
Deferred revenue	(71,550)	71,550
Due to related party	(34,440)	151,854
Net Cash Provided By (Used In) Operating Activities	**(97,140)**	**(36,694)**
Cash Flows From Investing Activities		
Net Cash Flows Provided By (Used In) Investing Activities	-	-
Cash Flows From Financing Activities		
Members' contributions	160,000	125,000
Members' distributions	(104,377)	(33,893)
Net Cash Flows Provided By (Used In) Financing Activities	**55,623**	**91,107**
Net Change In Cash And Cash Equivalent During The Year	**(41,517)**	**54,413**
Cash and cash equivalents - beginning of the year	54,577	164
Cash And Cash Equivalent - End of The Year	**$ 13,060**	**$ 54,577**

The accompanying notes are an integral part of the financial statements.

Freedom Learning, LLC
Notes To Financial Statements
December 31, 2023 and 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 might 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. Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 presentation. There were no changes to previously reported members' equity or net income because of the reclassifications.

E. Federal Income Taxes

The Company is organized as a limited liability company and is a disregarded entity for income tax purposes. The Company's accounts are included in the tax return of its members, and all taxes are assessed and paid at the individual member level. Therefore, no income tax liability for federal or state taxes has been recorded in the financial statement.

F. 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. It is at least reasonably possible that a change in the estimates will occur in the near term.

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 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 monthly.

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. 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 EQUIVALENTS

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, 2023 and 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. For the years ended December 31, 2023 and 2022 the Company had approximately $13,060 and $54,577 respectively in cash in its bank accounts.

4. RELATED PARTY TRANSACTIONS

Certain operating expenses are incurred by the related party "Seashore Academy" and are allocated to the Company. During the years ended December 31, 2023 and 2022 the related party allocated $0 and $151,854 respectively, 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, 2023 and 2022, the Company had a payable to the related party in the amount of $140,408 and $174,848 respectively which resulted from various intercompany transactions. At December 31, 2023 and 2022, the Company had a receivable from the related party in the amount of $0 and $676 respectively which resulted from various intercompany transactions. These amounts are presented in the accompanying balance sheet statements.

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 years ended December 31:

	2023	2022
Revenue recognized over time	$ -	$ 40,950
Revenue recognized at a point in time	71,550	-
Total Revenue	**$ 71,550**	**$ 40,950**

Contract Balances

The following table provides information about the change in the franchise deferred expenses balances during the years ended December 31:

	2023	2022
Beginning balance	$ 49,500	$ -
Additional deferred expenses	-	55,000
Expenses recognized – additional deferred expenses	(49,500)	(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 years ended December 31, 2023 and 2022 respectively. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	2023	2022
Beginning balance	$ 71,550	$ -
Additional deferred revenue	-	112,500
Revenue recognized – additional deferred revenue	(71,550)	(40,950)
Deferred revenue	**-**	**71,550**
Less: current maturities	-	(7,950)
Deferred revenue, net of current maturities	**$ -**	**$ 63,600**

During 2023, two franchisees canceled their franchise agreements which triggered the recognition of the initial franchise fees and related commission expenses in the year of cancelation.

6. LIQUIDITY RISK

As shown in the accompanying financial statements, the Company had recurring net losses for the years ended December 31, 2023 and 2022 of $63,205 and $196,554 respectively. The Company also has a low liquidity level in comparison to its short-term obligation, inability to obtain new franchise opportunities, negative cash flow from operation, and Working capital deficiencies. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations. The financial statements do not include any adjustments related to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. Management's plans in connection with such concerns include implementing operations modification anticipated to increase efficiencies and reduce operation costs. In addition, management has identified and implemented various efficiencies to improve the overall operations and increase profitability. The Company's members are also capable and willing of contributing more funds if needed. The Company's members have guaranteed the ongoing operation of the Company for the next twelve months.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 10, 2024 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

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	January 6, 2025
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 "H"

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, 2618 San Miguel Drive, #270, Newport Beach, California 92660; (949) 264-3195

Natalie Dobbs; 2618 San Miguel Drive, #270, Newport Beach, California 92660; (208) 319-6583

Issuance Date: April 21, 2025

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"	Other Agreements
EXHIBIT "D"-1	State Addenda
EXHIBIT "D"-2	General Release
EXHIBIT "E"	List of Franchisees
EXHIBIT "F"	Financial Statements of Freedom Learning, LLC
EXHIBIT "G"	State Effective Dates
EXHIBIT "H"	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.)

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