FRANCHISE DISCLOSURE DOCUMENT

Seriously Addictive Learning Center USA LLC
a Delaware limited liability company
9 East Loockerman Street, Suite 215
Dover, DE 19901
Telephone 011-65-81274326
www seriouslyaddictivemaths com
samchia@seriouslyaddictivemaths com sg

S.A.M
Seriously Addictive Mathematics

We offer franchises for a regional master franchise program for the right to sell unit franchises to operate businesses under the name "Seriously Addictive Mathematics" that provide math instruction using the Seriously Addictive Mathematics system of learning to children between Kindergarten and 12th grades

The total investment necessary to begin operation of a Seriously Addictive Mathematics regional master franchise is from $52,500 to $75,000 This includes $27,500 that must be paid to the franchisor and/or its affiliate, as appropriate

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

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Samuel Chia at 9 East Loockerman Street, Suite 215, Dover, DE 19901, 011-65-81274326, and samchia@seriouslyaddictivemaths com sg

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

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

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

Issuance Date April 16, 2018

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE REGIONAL MASTER FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN DELAWARE OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO MEDIATE AND ARBITRATE WITH US IN DELAWARE THAN IN YOUR OWN STATE

2 THE REGIONAL MASTER FRANCHISE AGREEMENT STATES THAT DELAWARE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 YOUR SPOUSE AND THE SPOUSES OF YOUR OWNERS, PARTNERS, SHAREHOLDERS AND MEMBERS, IF YOU ARE AN ENTITY, MUST SIGN THE REGIONAL MASTER FRANCHISE AGREEMENT AND PERSONALLY GUARANTEE ALL OBLIGATIONS OF THE FRANCHISED BUSINESS WHETHER OR NOT HE/SHE IS/ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS THIS REQUIREMENT PLACES YOUR PERSONAL ASSETS AND THE PERSONAL ASSETS OF YOUR SPOUSE AND THE SPOUSES OF YOUR OWNERS, PARTNERS, SHAREHOLDERS AND MEMBERS AT RISK

4 YOU MAY LOSE YOUR EXCLUSIVE TERRITORY AND YOUR REGIONAL MASTER FRANCHISE AGREEMENT MAY BE TERMINATED IF YOU FAIL TO SELL A MINIMUM NUMBER OF FRANCHISES

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

STATE EFFECTIVE DATES

The following states require that this 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 Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California
Connecticut
Florida
Hawaii
Illinois
Indiana
Kentucky
Maine
Maryland
Michigan
Minnesota
Nebraska
New York
North Carolina
North Dakota
Rhode Island
South Carolina
South Dakota
Texas
Utah
Virginia
Washington
Wisconsin

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EXHIBITS

Item 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Seriously Addictive Learning Center USA LLC For ease of reference, Seriously Addictive Learning Center USA LLC will be referred to as "we," "us" or "Seriously Addictive Mathematics," which is the name under which you will operate We will refer to the person or entity who buys the franchise as "you" throughout the Disclosure Document If you are a corporation, limited liability company, partnership or other corporate entity, certain provisions of the agreement also apply to your owners and will be noted

Our agents for service of process are disclosed in Exhibit A

We are a Delaware limited liability company formed on June 25, 2014 Our principal address is 9 East Loockerman Street, Suite 215, Dover, DE 19901 We will begin offering regional master franchises in July, 2015 We do not own or operate a business of the type being franchised

<u>Our Parents, Predecessors and Affiliates</u>

We have no predecessor or affiliate Our corporate parent company is Seriously Addictive Learning Centre Pte Ltd , is a Singapore company headquartered at 16 Pine Grove #13-04 Cavendish Park Singapore 597593 and which was formed on November 9, 2010 ("Parent") Our Parent owns the Proprietary Marks (described below) which it has licensed to us so that we may sublicense them to our regional masters and unit franchisees The trademark license agreement between us and our Parent is dated June 19, 2015 Our Parent offered Seriously Addictive Mathematics franchises in Singapore between year 2013 and 2014 As of July 1, 2017, our Parent has 119 international franchises in the countries of Singapore, Malaysia, India, Thailand, Australia, Canada, Indonesia, Philippines, South Africa, Sri Lanka, United Arab Emirates, United States, Zimbabwe and Brunei Our Parent has never offered franchises in any other line of business

<u>The Regional Master Franchise Offered</u>

Under this Disclosure Document, we grant regional master franchises ("Regional Master Franchises") to qualified parties to solicit and supervise unit franchises within an exclusive geographic territory (the "Regional Master Territory") under the terms of our Regional Master Franchise Agreement (the "Regional Master Franchise Agreement"), a copy of which is attached as Exhibit B to this Disclosure Document As a Regional Master Franchisee, you must sell unit franchises ("Unit Franchises") in your Regional Master Territory and provide your unit franchisees ("Unit Franchisees") with support services for the operation of their Seriously Addictive Mathematics Franchised Businesses

Regional Master Franchisees operate using our proprietary marks, including the name and mark "Seriously Addictive Mathematics" (the "Marks" or "Proprietary Marks"), and our System Our System includes a method of offering and selling Unit Franchises, management methods, marketing programs, financial reporting, Unit Franchisee performance reporting, and providing services to Unit Franchisees, all of which we may periodically modify and/or update You must operate your Regional Master Franchise according to our System and specifications

You will assist Unit Franchisees within your Regional Master Territory, including on-site assistance, periodic and regular visits and calls, continuous advisory services to Unit Franchisees and on-going training and updates, so that all Unit Franchisees within your Regional Master Territory are in compliance with our policies and procedures You must own and operate a Seriously Addictive Mathematics Business within your Regional Master Territory

You will negotiate terms and sign Unit Franchise Agreements with each Unit Franchisee in your Regional Master Territory

You must prepare and use a separate Franchise Disclosure Document for the sale of Unit Franchises to prospective Unit Franchisees in your Regional Master Territory and comply with all applicable federal and state laws regulating the offer and sale of franchises Our form of Franchise Disclosure Document for Unit Franchises is attached to this Disclosure Document as Exhibit C, which includes our form of Unit Franchise Agreement You must submit your Unit Franchise Disclosure Document and Unit Franchise Agreement to our franchise attorney for his review and approval before you may use it to sell Unit Franchises in your Regional Master Territory

The Unit Franchise

You must prepare and use a separate Franchise Disclosure Document (a "Unit Franchise Disclosure Document") and a Unit Franchise Agreement to grant Unit Franchisees the right to use the Proprietary Marks and System in the operation of their Unit Franchises We provide you with our standard form of Unit Franchise Disclosure Document, the current form of which is attached as Exhibit C You must use this standard form Unit Franchise Disclosure Document and the standard form Unit Franchise Agreement (which is included in the Unit Franchise Disclosure Document) for the sale of Unit Franchises in your Regional Master Territory We may modify the Unit Franchise Disclosure Document and Unit Franchise Agreement periodically You must use any updated Unit Franchise Disclosure Document and Unit Franchise Agreement that we provide, and if the changes we make are material in nature, you must arrange for your Unit Franchise Disclosure Document to be appropriately registered

You must prepare and add information to these documents regarding you and your position as our Regional Master Franchisee in your Unit Franchise Disclosure Document, at your expense, to include all applicable disclosures The expenses will include legal expenses to prepare the Unit Franchise Disclosure Document in compliance with applicable law, and accounting expenses to prepare required financial statements for you to include in the Unit Franchise Disclosure Document You must complete Items 1, 2, 3, 4, 5, 11, 19, 20 and 21 to disclose information pertaining to you and your Regional Master Franchise You must comply with all federal and state franchise registration and disclosure laws and the payment of all registration and filing fees We recommend you consult with a franchise attorney and a certified public accountant regarding this Regional Master Franchise opportunity and the assistance you will need to prepare the Unit Franchise Disclosure Document

Market and Competition

The market for children's learning services franchises is well developed You will compete with brokers, franchisors, sub-franchisors, independent businesses and other individuals, corporations or entities offering and selling franchises or other business opportunities in similar businesses with similar capital investment requirements Unit Franchisees will also compete with national and local businesses offering the same services

Industry Specific Regulations

As a Regional Master Franchisee, you should examine the federal and various states' laws for the sale of franchises The Federal Trade Commission and various states regulate the sale of franchises and the relationship between franchisors (or master franchisees) and franchisees You must comply with these regulations before and when you solicit Unit Franchisees We strongly recommend that you become familiar with these and other applicable laws before purchasing a Regional Master Franchise

Item 2
BUSINESS EXPERIENCE

Executive Director – Samuel Chia Kiah Hua

Mr Chia has been our Executive Director since our inception in June 2014, and has also been Executive Director for our Parent since its inception in November 2010

Director – Lau Chin Loong

Mr Lau has been our Director since our inception in June 2014, and has also been Director for our Parent since its inception in November 2010

Franchise Manager – Jacqueline Tan Mui Khim

Ms Tan has been our Franchise Manager since our inception in June 2014, and has also been Franchise Manager for our Parent since July 2013

Item 3
LITIGATION

No litigation is required to be disclosed in this Item

Item 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

Item 5
INITIAL FEES

When you sign the Regional Master Franchise Agreement you must pay to us an initial franchise fee of $27,500 The initial franchise fee is payable in a lump sum, is fully earned by us upon receipt, and is not refundable under any circumstances

There are no other payments to or purchases from us or our affiliates that you must make before you begin operating as a Regional Master Franchisee

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Unit Franchise Performance Royalty Fee	50% of aggregate Royalty Fees paid to you by Unit Franchisees	Monthly on the 10th day of each month (or the next business day if the 10th is not a business day)	Payable to us by electronic funds transfer See note 2

Type of Fee	Amount	Due Date	Remarks
Franchise Sales Upfront Fee	No fees for each Upfront franchise fee paid by a Unit Franchisee for first five Unit Franchisees, then 50% of each initial franchise fee paid	Immediately upon signing of the agreement	This Initial Fee is payable for each Unit Franchise you sell in the Regional Master Territory We will receive 50% of the renewal fees paid by the Unit Franchisee You will keep the entire amount of Unit Franchise Transfer Fee
Minimum Franchise Opportunity Advertising	$2,000 per month	Must be spent each month	You must advertise the franchise opportunity within your Regional Master Territory All advertising must be pre-approved by us, and may need to be submitted to and/or approved by a government agency before the ad may run Payable to advertising suppliers
Initial Training Fee (Additional or Replacement Employees	Our then-current per person training fee, plus expenses Current per person training fee = $400 per day	Before training begins	Training for the first three people is included in the initial franchise fee If you request that we provide our initial training program to additional or replacement employees, whether before your Regional Master Franchise opens or while it is operating, you must pay our training fee You must also pay for all expenses incurred by your trainees, including travel, lodging, meals and wages
Software Licensing Fee	$50 per Unit Franchise	In the same manner as payment of Unit Franchise Performance Royalty Fees	
On-Site Assistance or Training	Our then-current per diem fee per trainer, plus expenses Current per diem fee = $400	15 days after billing	If you request that we provide on-site assistance or training at your Regional Master Franchise location The expenses you must reimburse include travel, lodging, meals and local transportation

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	$10,000	With request for our approval of the transfer	We must approve all transfers We do not charge a transfer fee for a one time transfer from an individual to a corporate entity for convenience of owning the franchise
Renewal Fee	$20,000	Before renewal	To renew your rights as a Regional Master Franchise
Late/Insufficient Funds Fee	$250	On demand	For any payment or report to us that is not paid or provided when due, or if there are insufficient funds in your bank account If you incur three late/insufficient funds fees in any 12 month period, we have the right to terminate your Agreement Any late fee assessed to you is in addition to interest on the overdue amount
Regional Master Franchisee Meeting	$100 to $200 per person (estimated), plus expenses	Before meeting	At our discretion, we will hold an annual meeting of our Regional Master Franchisees Attendance at the meeting is mandatory for all master franchisees, unless the absence is excused by us, and is expected to be held at our headquarters The expenses you must pay include travel, lodging, meals and wages (if you choose to bring employees to the meeting)
Interest	1 5% per month or the highest legal rate we can charge, whichever is less	Due with overdue amount	Payable on all overdue amounts Interest will be calculated from the original due date until payment is received in full

Type of Fee	Amount	Due Date	Remarks
Audit	The amount of any deficiency, plus interest and late fees You must also reimburse the cost of the audit, in certain circumstances	15 days after billing	If any audit shows an understatement of any amount payable to us of 2% or more, or if the audit is conducted because you have not provided required reports to us, then the cost of inspection must also be paid by you
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with your Agreement
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your operations
Liquidated Damages	See note 3	15 days after termination	
Replacement Manual	$250 per volume for Regional Master Franchisee Manuals $100 per volume for Unit Franchisee Manuals	On demand, if incurred	If you request a replacement copy of any manual
Insurance Policies	Amount of unpaid premiums plus a reasonable fee for our obtaining the insurance on your behalf	As invoiced	If you fail to maintain required insurance coverage and we elect to obtain coverage for you, you must reimburse us for the premiums paid on your behalf We are not required to obtain insurance for you
Reimbursement of taxes	Actual amount of taxes assessed against us due to your operation of your business	Upon demand	Payable if your state imposes this tax on us

(1) These fees are imposed by and are payable to us, except as noted in the chart All of these fees are non-refundable

(2) If you do not report the revenue from your Unit Franchisees' performance or from your franchise sales, we may debit your account for 140% of the last Unit Franchise Performance Royalty Fee, Franchise Sales Royalty Fee and/or Marketing Fund contribution (as applicable) that we debited If the Unit Franchise Performance Royalty Fee, Franchise Sales Royalty Fee and/or Marketing Fund contribution we debit are less than the amounts you actually owe us, once we have been able to verify the correct revenue amounts, we will debit your account for the balance on a day we specify If the Unit Franchise Performance Royalty Fee, Franchise Sales Royalty Fee and/or

Marketing Fund contribution we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due

(3) If we terminate the Regional Master Franchise Agreement with cause or you resign without consent from us, you must pay us liquidated damages equal to the average monthly Unit Franchise Performance Royalty Fees and Franchise Sales Royalty Fees you paid to us during the 12 month period before termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Regional Master Franchise Agreement had it not been terminated, whichever amount is lower

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT REGIONAL MASTER FRANCHISE				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To whom payment is to be made**
Initial Franchise Fee (1)	$27,500	Lump Sum	When Regional Master Franchise Agreement Signed	Us
Laptop Computer	$1,000	As arranged	As arranged	Suppliers
Telephone, Fax Machine and Office Supplies	$1,000-$1,500	As arranged	As arranged	Suppliers
Rent – 3 Months (2)	$3,000-$6,000	As arranged	As arranged	Landlord
Security Deposits	$0-$3,000	As arranged	As arranged	Landlord, Utility Companies
Leasehold Improvements	$0-$10,000	As arranged	As arranged	Contractor
Furniture & Fixtures (3)	$0-$2,500	As arranged	As arranged	Suppliers
Insurance – 3 Months	$250-$1,000	As arranged	Before opening	Insurance Companies
Franchise Advertising – 3 Months	$6,000	As incurred	As incurred	Suppliers
Travel and Living Expenses While Training (4)	$500-$1000	As incurred	As incurred	Airlines, Hotels and Restaurants
Vehicle (5)	$250-$500	As incurred	As incurred	Suppliers

YOUR ESTIMATED INITIAL INVESTMENT REGIONAL MASTER FRANCHISE				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To whom payment is to be made**
Filing Fees & Registrations (6)	$500-$1,000	As incurred	As incurred	Government Agencies
Professional Fees	$2500-$5,000	As incurred	As incurred	Attorney, Accountant
Additional Funds – 3 Months	$10,000-$15,000	As incurred	As incurred	You determine
Total	**$52,500 – $75,000**			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable We do not finance any portion of your initial investment Our estimate assumes that you operate the Regional Master Franchised Business from your home or from an executive style office space You may operate the Regional Master Franchised Business from your own Seriously Addictive Mathematics business once it has opened

Notes

1 ***Initial Franchise Fee*** The Initial Franchise Fee is discussed in Item 5

2 ***Rent*** The low end of our estimate assumes you will operate the business from a home based office The high end of our estimate assumes that you will lease an office in an executive style office suite that has approximately 500 to 800 square feet of space

3 ***Furniture and Fixtures*** You will need a desk, filing cabinet and office chairs

4 ***Travel and Living Expenses to Attend Training*** These are the estimates to attend our training program for Regional Masters

5 ***Vehicle*** We anticipate that you will need a vehicle to visit prospective franchisees, view potential sites and to oversee the build-out of franchisee units Our estimate includes three months of expenses for gas, maintenance and vehicle payments

6 ***Filing Fees*** You may need to register the Unit Franchise Disclosure Document and/or the Seriously Addictive Mathematics business opportunity you are offering in the state where your Regional Master Territory is located

This is an estimate of your initial investment and the expenses you will incur during the first three months of operations In compiling this chart, we relied on the experience of our officers The amounts shown are estimates only and may vary for many reasons including how much you follow the System, the capabilities of your management team, the effort you put into developing your Regional Master Franchised Business, and your business experience and acumen You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All equipment, supplies, computer hardware and software, trademarked items, office supplies and materials required for the operation of your Regional Master Franchise must be purchased by you only from suppliers designated or approved in writing by us (which may include us or our Parent), or from suppliers selected by you and whom we approve Currently we or our Parent are the approved suppliers of the activity boards, toys and manipulatives, you must purchase or lease them from us or our Parent None of our officers has an ownership interest in any approved supplier

The estimated proportion of required purchases and leases to all purchases and leases by you of goods and services in establishing the Regional Master Franchise is approximately 4% to 10% and in operating your Regional Master Franchise ranges approximately from 15% to 20%

We will give you specifications for the minimum standards of any products, equipment (including computer equipment and other technology) and supplies We reserve the right to require you to purchase certain equipment in addition to the equipment we initially provide to you Our specifications, minimum standards and approved suppliers lists will be included in our Confidential Operations Manual ("Manual"), which is loaned to you for the term of your Regional Master Franchise Agreement We may also establish an intranet website for our Regional Master Franchisees and Unit Franchisees to access this and other information Any changes to our specifications, minimum standards, approved suppliers or the Manual will be provided to you in writing, including through e-mail, updates to the Manual and/or newsletters

We reserve the right to earn revenue from approved suppliers in the form of rebates, commissions or other compensation If we receive rebate or commission revenue from approved suppliers, there will be no restriction on our use of that money We do not currently receive rebates, commissions or other payments from any approved supplier

At the present time there are no purchasing or distribution cooperatives established by us, but we reserve the right to establish purchasing or distribution cooperatives in the future, in our discretion We may negotiate purchase arrangements, such as price terms, for the benefit of all businesses in the System We do not give you any benefits, like renewal or the granting of additional franchises, based on your buying any items from our approved suppliers

All advertising and promotional materials you wish to use to promote the Unit Franchise opportunity must be approved by us before the materials may be used and may need to be registered with a state agency before the ad can be run

We do not anticipate reviewing or approving the location of your Regional Master Business, whether you operate from home, from an executive style office suite, but we reserve the right to do so

In addition to the purchases described above, you must obtain and maintain, at your own expense, insurance coverage Our System may regulate the types, amounts, terms and conditions of insurance coverage required for your franchise and standards for underwriters of policies providing required insurance coverage, our protection and rights under the policies as an additional named insured, required or impermissible insurance contract provisions, assignment of policy rights to us, periodic verification of insurance coverage that must be furnished to us, our right to obtain insurance coverage at your expense if you fail to obtain required coverage, our right to defend claims, and similar matters relating to insured and uninsured claims All of your policies must name us as an additional insured Our standards and requirements for insurance coverages will be included in our Manual and will periodically be updated

You must maintain the following insurance for your Regional Master Franchise (1) broad form comprehensive general liability coverage against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the conduct of business by you and broad form contractual liability coverage (including errors and omissions coverage) under one or more policies of insurance containing minimum liability coverage prescribed by us from time to time, but in no event in an amount less than $2,000,000 aggregate This insurance shall not have a deductible or self-insured retention in excess of $5,000, (2) automobile liability insurance, including owned and non-owned vehicles, with limits of not less than $1,000,000 per occurrence, and (3) worker's compensation and employer's liability insurance in statutory amounts, unemployment insurance and state disability insurance as required by governing law for your employees In addition, you may choose to have a separate general liability insurance policy for operations by Unit Franchisees in your Regional Master Territory, which would be in addition to any general liability insurance the Unit Franchisees must individually maintain

Item 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Regional Master Franchise Agreement	Disclosure Document Item
a	Site selection and acquisition/ lease	Section 5	Items 8 and 11
b	Pre-opening purchases/ leases	Section 5	Item 8
c	Site development and other pre-opening requirements	Section 5	Items 7 and 11
d	Initial and ongoing training	Section 5	Item 11
e	Opening	Section 5	Item 11
f	Fees	Sections 3, 4, 5, 8 and 12	Items 5 and 6
g	Compliance with standards and policies/ operating manual	Section 5	Items 8 and 11
h	Trademarks and proprietary information	Sections 6 and 8	Items 13 and 14
i	Restrictions on products/services offered	Section 5	Item 16
j	Warranty and customer service requirements	Sections 5 and 13	Item 11
k	Territorial development and sales quotas	Section 5	Item 12

Obligation		Section in Regional Master Franchise Agreement	Disclosure Document Item
l	Ongoing product/service purchases	Section 5	Item 8
m	Maintenance, appearance and remodeling requirements	Section 5	Item 11
n	Insurance	Section 5	Items 6 and 8
o	Advertising	Section 5	Items 6 and 11
p	Indemnification	Section 14	Item 6
q	Owner's participation/ management/ staffing	Not applicable	Items 11 and 15
r	Records and reports	Sections 4 and 5	Item 6
s	Inspections and audits	Section 5	Items 6 and 11
t	Transfer	Section 12	Items 6 and 17
u	Renewal	Section 3	Items 6 and 17
v	Post-termination obligations	Section 11	Item 17
w	Non-competition covenants	Section 7	Item 17
x	Dispute resolution	Section 17	Item 17
y	Liquidated damages	Section 11	Item 6

Item 10
FINANCING

We do not offer direct or indirect financing We do not guarantee any note, lease or any other obligations

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

Except as listed below, Seriously Addictive Learning Center USA LLC is not required to provide you with any assistance

Pre-Opening Obligations

Before you begin operating as a Regional Master Franchisee, we will provide you with the following assistance

1 We will loan to you our Confidential Operations Manual for the term of your Regional Master Franchise Agreement The Manual remains our property and must be returned to us upon termination or expiration of your Regional Master Franchise Agreement We may change the contents of our Manual and you must comply with any changes We will also provide you with your first six copies of the Confidential Operations Manual for Unit Franchisees

2 We will provide our initial training program for up to three trainees at no additional charge You must pay all expenses your trainees incur while attending training, including travel, lodging, meals and applicable wages Our training program is described below

3 We will grant you the right to sell Seriously Addictive Mathematics Unit Franchises within your Regional Master Territory

4 We will specify the computer hardware and software you must have for your Regional Master Franchise

Continuing Obligations

During your operation of the Regional Master Franchise, we will provide you with the following assistance

1 We may occasionally furnish you with instructions, forms or other information developed by us in connection with the operation of the System

2 We will provide information pertaining to sources of supply of proprietary and non-proprietary products and services used in our System

3 Following the opening of your Regional Master Franchise, we will be available for consultation with you to discuss any problems in the operation of the business

4 We will, at our discretion, conduct an annual meeting of Regional Master Franchisees, which shall be mandatory for all Regional Master Franchisees unless the absence is excused by us The annual meeting will be to discuss sales techniques, instructional methods, training of personnel, performance standards, advertising, and similar topics

5 We will license you to use the Proprietary Marks and the processes, methods, materials, equipment and promotional plans we develop

6 We may conduct inspections of your Regional Master Franchise, or any Unit Franchise in your Regional Master Territory, to verify compliance with our System

Site Selection and Opening

You may operate the Regional Master Franchise from a home based office, if permitted by your local ordinances, from your first Seriously Addictive Mathematics Center, or you may choose to lease space in an executive style suite of offices If you choose to lease space, we estimate that you will need between 500 and 800 square feet of space We do not anticipate reviewing or approving the location for your Regional Master Franchise, but we reserve the right to do so

We estimate that the time from the Regional Master Franchise Agreement is signed to the opening of the Business will be approximately two to three months This time may be shorter or longer depending on the time necessary to obtain the accepted site by lease (if you choose to lease space), to obtain financing, to obtain the permits and licenses for the construction and operation of the Business, to complete the development of the Business, including decorating, purchasing and installing furniture, and to complete preparation for operating the Business, including purchasing equipment and supplies You must open and begin business within three months after you sign the Regional Master Franchise Agreement, unless you obtain a written extension of this time period from us

Advertising

We do not anticipate establishing a centralized marketing fund for regional master franchisees to contribute to, nor do we anticipate forming or approving the formation of advertising cooperatives for regional master franchisees

You must spend not less than $2,000 each month on advertising to solicit the sale of Unit Franchises in your Regional Master Territory Any advertising for franchise sales you conduct must be approved by us and may need to be registered with a state agency before the ad may run Within 30 days of our request, you must provide us with verification of advertising conducted

Advisory Councils

We may, in our discretion, form an advisory council comprised of regional master franchisees If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority We will have the right to form, change, merge or dissolve any advisory council Members of an advisory council will include our representatives and regional master franchisees who are chosen by us or by other regional master franchisees in the System If you participate on an advisory council, you will pay any costs you incur related to your participation, such as travel, lodging, and meals expenses to attend council meetings

Website

We or one or more of our designees may establish a website or series of websites for the System to advertise, market and promote Seriously Addictive Mathematics Centers and the products and services they offer, the Seriously Addictive Mathematics franchise and/or regional master opportunity, and/or for any other purposes that we determine are appropriate for Seriously Addictive Mathematics businesses (collectively, the "System Website") If we include information about your Regional Master Franchised Business on the System Website, you agree to give us the information and materials that we periodically request concerning the Regional Master Franchised Business and otherwise participate in the System Website in the manner that we periodically specify By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe upon any third party's rights

We shall own all intellectual property and other rights in the System Website and all information it contains, including the domain name or uniform resource locator ("URL") for the System Website, the log of "hits" by visitors, and any personal or business data that visitors (including you and your personnel) supply We may implement and periodically modify System standards relating to the System Website and, at our option, may discontinue the System Website, or any services offered through the System Website, at any time

All advertising, marketing and promotional materials that you develop for your Regional Master Franchised Business must contain notices of the URL of the System Website in the manner that we periodically designate You may not develop, maintain or authorize any other website, other online presence or other electronic medium that mentions or describes the Regional Master Franchised Business, the System or displays any of the Marks without our prior approval We do not restrict the use of internet or web page advertising within or outside of your Regional Master Territory, but the advertising content must be approved by us before it is used

Nothing in the Regional Master Franchise Agreement shall limit our right to maintain websites other than the System Website or to offer and sell products and services under the Marks from the System Website, another website or otherwise over the Internet without payment or obligation of any kind to you

You are strictly prohibited from establishing your own website related to the Proprietary Marks or our System without our prior written consent, which we do not have to provide You are also prohibited from promoting your Regional Master Franchised Business on social and networking websites, including Facebook, LinkedIn, MySpace or Twitter, without our prior written consent We will control all social media initiatives You must comply with our System standards regarding the use of social media in the operation of your Regional Master Franchised Business, including prohibitions on your and your employees posting or blogging comments about the Regional Master Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools) We will provide access to branded social media pages/handles/assets, and you must update these regularly We reserve the right to conduct collective/national campaigns via local social media on your behalf

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any System Website we establish and maintain, including any and all material you may furnish to us as provided above

Training Program

Within 30 days after you sign the Regional Master Franchise Agreement, you must schedule your attendance at our mandatory initial training program You must complete our initial training program to our satisfaction before you will be permitted to operate as our Regional Master Franchisee

We will provide our initial training program to up to three people at no additional charge, but you must pay for your trainees' expenses while attending our initial training program, including travel, lodging, meals and applicable wages The group of trainees must include you or a principal owner of at least a 25% interest in you, if you are a corporate entity If you wish to send additional people to our training program, you must pay to us our then-current training fee The training program will include training regarding the operational, management and marketing pertaining to the "Seriously Addictive Mathematics" System, as well as the proper way to solicit franchises, including Unit Franchise Disclosure Document requirements, sell franchises and provide services to Unit Franchisees If you fail to complete the training program to our satisfaction, we may terminate your Regional Master Franchise Agreement

Our training program is conducted at our headquarters or at another location we designate and lasts for approximately 6 days, although the length of time spent on any particular topic may depend on the individual needs and/or experience of a trainee We may train any number of individuals from any number of franchises at the same time The instructional materials we use in our training program include our Manual, hand-outs and any other instructional materials that we believe will be beneficial to our franchisees We do not currently have a set schedule for our training program We will provide our training program on an "as-needed" basis The following is a breakdown of the training program currently in effect

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
All About SAM and Singapore Maths	6	None	Franchisee's office
All About Operations	7	None	Franchisee's office
Pre-Primary Program	6	None	Franchisee's office
Lower Primary Program	6	None	Franchisee's office
Upper Primary Program	6	None	Franchisee's office
Marketing, Best Practice (optional)	6	None	Franchisee's office
Total Hours	37	None	

Our training program is overseen by Samuel Chia, our Executive Director Each of our trainers has at least 2 to 11 years of relevant experience in the topics he or she will be teaching, and at least 2 to 11 years of experience with us and/or our Parent

When we believe it is beneficial to do so, we will hold an annual meeting of our Regional Master Franchisees to conduct additional training, announce new products and/or services or discuss any other matters of interest The annual meeting will be mandatory for all Regional Master Franchisees, unless your absence is excused by us You will bear all costs related to attending the annual meeting, including travel, lodging, meals, wages and a nominal fee for the meeting The annual meeting will be held in a location of our choosing, which may be at our headquarters in Clearwater, Florida You must use the hotel that we specify for the annual meeting, which will not be unreasonably expensive

If you request that we provide additional training or assistance on-site at your Regional Master Franchised Business, you must pay our then-current per diem fee for each representative we send to you to provide training or assistance, and you must reimburse each representative's travel, lodging and meals expenses while providing the additional on-site training or assistance

Computer Hardware and Software

You must purchase or lease computer hardware and software, including a printer and other computer-related accessories and peripheral equipment, that we require or specify for your Regional Master Franchise Currently you must have a laptop computer with the minimum specifications we require Our current computer system specifications are included in the Manual The software you must have for your computer system includes Apple Safari (preferred), and Microsoft Office®, including Outlook, Word and Excel, and Adobe PDF Reader You may purchase or lease your computer system from any source We anticipate that the initial cost of your laptop will be approximately $1,000

You must at all times have high speed internet access for your computer system We do not require you to obtain a maintenance contract for your computer system, although you may find it beneficial to have this contract You must also make sure that all required software is kept up to date

We may require you to purchase updates and/or upgrades for your computer system or the software you use in the Regional Master Franchise There is currently no contractual limitation on either the frequency or the cost for you to obtain these updates and/or upgrades Neither we nor any affiliate will provide you with any maintenance, updates or upgrades for your computer system or any required software

We reserve the right to have independent access to the information and data you collect on your computer system, although we do not currently require this access When we require electronic access to your computer system, the information and data we may obtain from your computer may include franchise sales, contract sales and royalty reports There are no contractual limits on our access to the information and data All data will become our property

Confidential Operations Manuals

Our Confidential Operations Manual is currently under development When available, the Table of Contents of the Confidential Operations Manual will be attached to this Disclosure Document as an Exhibit

Item 12
TERRITORY

You will operate your Regional Master Franchise within the Regional Master Territory designated in your Regional Master Franchise Agreement The Regional Master Territory will be exclusive to you for the development of Unit Franchises The Regional Master Territory is typically described in terms of town, city or county boundaries or contiguous zip codes, and may be depicted on a map that is attached as an exhibit to your Regional Master Franchise Agreement

If you are in compliance with your Regional Master Franchise Agreement, we will not sell any regional master franchises or unit franchises within your Regional Master Territory during the term of your agreement

You must meet a minimum development quota of Unit Franchises in your Regional Master Territory to maintain your rights under the Regional Master Franchise Agreement In addition to the Seriously Addictive Mathematics Center you must own and continuously operate, you must sell and have open a minimum of five Unit Franchises during your first year of operation During your second year of operation you must sell and have open an additional eight Unit Franchises, and during your third year of operation you must sell and have open an additional ten Unit Franchises, so that by the end of your third year of operation you have at least 23 Unit Franchises open and operating as well as your own Seriously Addictive Mathematics Center We will not grant other franchises nor establish our own Unit Franchises within the Regional Master Territory during the term of your Regional Master Franchise Agreement unless you do not sell the required minimum number of Unit Franchises If you do not sell the required minimum number of Unit Franchises, we may cancel your exclusive right to market and sell Unit Franchises in your Regional Master Territory and may sell additional Regional Master Franchises within your Regional Master Territory, or we may begin operations of our own in your Regional Master Territory, or we may terminate your Regional Master Franchise Agreement

You do not have any options, rights of first refusal or similar rights to acquire additional Regional Master Franchises within contiguous territories

You may not solicit or accept Unit Franchisees from outside of the Regional Master Territory You may not use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing to make sales outside your Regional Master Territory We retain the right (a) to own, acquire, establish, and operate, and license others to establish and operate, other Franchised Businesses at any location outside of the Regional Master Territory, (b) to own, acquire, establish and operate, and license others to establish and operate, businesses under other proprietary marks or other systems, whether these businesses are the same, similar, or different from the Franchised Business, at any location within or outside of the Regional Master Territory, and (c) to license others to sell or distribute any products or services which bear any proprietary marks, including the Proprietary Marks, at any location outside of the Regional Master Territory

Item 13
TRADEMARKS

Under the Regional Master Franchise Agreement, we grant you the right to operate your Regional Master Franchise under the Proprietary Marks You are also granted the limited license to sub-license the use of the Proprietary Marks to Unit Franchisees in your Regional Master Territory Our Parent has registered the following trademark on the Principal Register of the United States Patent and Trademark Office ("USPTO") Our Parent intends on filing all affidavits when required

Mark	Application Date	Serial Number	Registration Date	Registration Number
SAM SERIOUSLY ADDICTIVE MATHEMATICS	86976438	August 18, 2014	4978211	June 14, 2016

With respect to the registered mark(s), all required affidavits of use and renewals have been filed and accepted for continuation of the registration(s) We may have also filed for foreign protection of certain of our Marks referenced above In addition, there are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator in any state, or of any court adverse in any way to our rights in, ownership of, or exclusive use of any of the System-Wide Marks or Program Marks, nor are there any pending infringement, opposition, or cancellation proceedings or any pending material litigation involving the Marks No agreements limit our right to use or license the use of the System-Wide Marks and Program Marks in a manner material to the franchise We do not know of any superior prior rights or infringing uses that could materially affect your use of any of the System-Wide or Program Marks

We may also own and use ourselves and/or through our affiliates, licensees, and/or franchisees various other marks, names, logos, and commercial symbols protectable under the common law and under the Federal Trademark Act

We may periodically and in our sole discretion seek and obtain registration of these and other marks, names, logos, and commercial symbols in and before the USPTO and in and before appropriate governmental entities overseas The above-listed as well as the foregoing registered mark(s) and any other marks, names, logos, and/or commercial symbols that we may adopt in the future for use on a system-wide basis are and shall be, unless otherwise provided for herein, automatically included in the license granted herein and be included as "System-Wide Marks" or as "Program Marks "

There are currently no agreements in effect which significantly limit our rights to use or license the use of the Proprietary Marks in a manner material to the franchise, except for the trademark license agreement between us and our Parent dated June 19, 2015

The Regional Master Franchise Agreement does not grant you any ownership rights to any of our Proprietary Marks, trade names, copyrighted materials or trade secrets The license applies only to those Proprietary Marks, trade names, copyrighted materials and trade secrets which are designated by us You may not represent to others or conduct yourself in any way that might indicate that you have any other rights in our Proprietary Marks, trade names, copyrighted materials or trade secrets

You may not do anything to damage or contest or dispute any of our rights to our Proprietary Marks, trade names, copyrighted materials and/or trade secrets

You must use and display the Proprietary Marks, trade names and use the copyrighted materials and trade secrets in accordance with the specifications set forth in the Manual

You may not use the Proprietary Marks, trade names, copyrighted materials, or trade secrets, or any similar words, in your trade name You must identify yourself and your Regional Master Franchise as an independently owned and operated business using the language we specify

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in this state or the state in which your Regional Master Franchise is to be located

If you learn of any actual or potential claim against you or us relating to the use of the Proprietary Marks, trade names, or copyrighted materials, you must promptly notify us We have the discretionary right to take any action as we deem necessary to address any claim We have the discretionary right to defend, compromise or settle any claim using attorneys of our own choosing and you must cooperate fully with us We will protect, defend and indemnify you in connection with the claim unless the claim arises out of or relates to your use of the Proprietary Marks, trade names, and copyrighted materials in violation of your Regional Master Franchise Agreement, the Manual or otherwise

If you learn of any unauthorized use of the Proprietary Marks, trade names, copyrighted materials or trade secrets, you must promptly notify us We will determine whether or not to take any action You have no right to take any action with respect to any unauthorized use of the Proprietary Marks, trade names, or copyrighted materials

We reserve the right to change or discontinue the use of any mark, name, symbol or other corporate identification If this occurs you must conform to the change according to our instructions, at your own expense

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents that are material to the Regional Master Franchise We deem all work appearing in a tangible medium of expression, whether published or unpublished, to fall within the class of our copyrights, including our Manual, all advertisements, video tapes, documents and audio tapes Registration with the United States Copyright Office, although a condition precedent to litigation, is not a requirement for protection We have not filed any copyrights Our right to use or license these copyrights are not materially limited by any agreement or known infringing use, nor is there any current determination of Copyright Office (Library of Congress) or court regarding these copyrights

The Manual is described in Item 11 and below Although we have not filed an application for a copyright registration for the Manual, we claim a copyright and the information in it is proprietary and confidential You must also promptly tell us when you learn about unauthorized use of this proprietary and confidential information We are not obligated to take any action, but will respond to this information as we think appropriate

Confidential Operations Manual

You must operate your Regional Master Franchise according to the standards, methods, policies and procedures specified in the Manual One copy of the Manual is loaned to you by us for the term of the Regional Master Franchise Agreement after you complete our initial training program to our satisfaction

You must treat the Manual, any other of our manuals which are used in the operation of your Regional Master Franchise, and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part or otherwise give them to any unauthorized person The Manual will remain our sole property and must be kept in a secure place at your office

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

Confidential Information

You must not, during the term of your Agreement or after the term of your Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Regional Master Franchise which may be communicated to you or which you may learn because of your operation under the terms of the Regional Master Franchise Agreement You may divulge this confidential information only to those of your employees who need access to it to operate your Regional Master Franchise Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of your Agreement

At our request, you must have your manager and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Regional Master Franchise The agreements must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business

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

The Regional Master Franchise Agreement requires you to devote all of your time and attention and best efforts to the Regional Master Franchise All work and services provided by your Regional Master Franchise must be performed or supervised by you or your authorized employees You may hire a general manager to assist you in the operation of the Regional Master Franchise Your general manager is not required to have an ownership interest in you, but must complete our initial training program to our satisfaction

Your general manager and other employees cannot have any interest or business relationship with any of our business competitors Your employees must sign a Confidentiality and Non-Competition Agreement in the form attached to the Regional Master Franchise Agreement as Attachment G We will be a third party beneficiary of each agreement with the independent right to enforce its terms We will be entitled to equitable remedies, including injunctive relief, to protect our confidential information, the Manuals and the Proprietary Marks

If you are a corporate entity, all of your owners and their respective spouses must personally guarantee payment and performance of your obligations under the Regional Master Franchise Agreement, and must sign a Confidentiality and Non-Competition Agreement upon our request

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Your Regional Master Franchise is limited to the sale of Unit Franchises and the servicing of Unit Franchisees within your Regional Master Territory You must cause all sales efforts made by you or under your direction to be courteous, dignified and in keeping with a professional, ethical and responsible company You cannot advertise for or sell Unit Franchises outside your Regional Master Territory You must not violate any federal, state or local laws related to the sale of Unit Franchises, and must specifically abide by all applicable valid and enforceable laws, rules and regulations

You must provide continuing oversight of your Unit Franchisees within the Regional Master Territory We have the right to add additional authorized services that you must offer, and there are no limits on our right to make these changes No other limits or restrictions are placed on the type or quantity of customers to whom Unit Franchises may be sold except for restrictions contained within the Regional Master Franchise Agreement

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements You should read these provisions in the agreements attached to this disclosure document

Provision	Section in Regional Master Franchise Agreement	Summary
a Length of the franchise term	Section 3 1	Initial term is 10 years
b Renewal or extension of the term	Section 3 2	If you are in good standing you may renew the franchise for one additional term of 10 years

Provision	Section in Regional Master Franchise Agreement	Summary
c Requirements for regional master franchisee to renew or extend	Section 3 2	Provide us with notice that you wish to renew, you have been in substantial compliance with the Regional Master Franchise Agreement, all money owed to us or our affiliates is paid, you sign a general release, you sign renewal Regional Master Franchise Agreement, and pay renewal fee You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d Termination by regional master franchisee	Section 10 6	The Regional Master Franchise Agreement contains no provisions for termination by you Certain rights exist under state contract law
e Termination by franchisor without cause	Not Applicable	We can terminate only for cause
f Termination by franchisor with cause	Section 10 2	We can terminate only if you commit a default and we provide notice
g "Cause" defined – curable defaults	Section 10 2	Abandonment, loss of any required license, failure to complete initial training, understatement of payment due to us by 2% or more, lack of insurance coverage, failure to pay
h "Cause" defined – non-curable defaults	Section 10 2	Conviction of a felony, bankruptcy or insolvency, unauthorized transfer of franchise, breach of non-competition covenant, disclosure of contents of Manual or other confidential information, material misrepresentations, repeated defaults, failure to meet development quota
i Regional master franchisee's obligations on termination/ non-renewal	Section 11	Obligations include complete de-identification of your office and service vehicle, and payment of amounts due
j Assignment of contract by franchisor	Section 12 1	No restriction on our right to assign

Provision		Section in Regional Master Franchise Agreement	Summary
k	"Transfer" by regional master franchisee – defined	Section 12 2	Includes transfer of contract or assets or ownership change
l	Franchisor approval of transfer by regional master franchisee	Section 12 3	We have the right to approve all transfers but will not unreasonably withhold approval
m	Conditions for franchisor approval of transfer	Section 12 3	Transferee qualifies, transfer fee paid, training arranged, general release signed, transferee signs then-current Regional Master Franchise Agreement with a term equal to the remaining term under your agreement
n	Franchisor's right of first refusal to acquire regional master franchisee's business	Section 12 5	We have the right to match any offer for your Franchised Business if you offer it for sale
o	Franchisor's option to purchase regional master franchisee's business	Not Applicable	
p	Death or disability of regional master franchisee	Section 12 6	Franchise must be assigned by estate to approved buyer within 12 months
q	Non-competition covenants during the term of the franchise	Section 7 1	No participation in competing business anywhere
r	Non-competition covenants after the franchise is terminated or expires	Section 7 1	No competing business for two years anywhere
s	Modification of the agreement	Section 16 1	Only with mutual agreement
t	Integration/ merger clause	Section 16 1	Only the terms of the Regional Master Franchise Agreement are binding
u	Dispute resolution by arbitration or mediation	Section 17 2	Mediation and arbitration in Delaware
v	Choice of forum	Section 17 3	Delaware (subject to state law)
w	Choice of law	Section 17 1	Delaware (subject to state law)

Item 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise, although we may do so at any time If you wish to use a public figure to promote the availability of the Seriously Addictive Mathematics Unit Franchise in your Regional Master Territory, it must first be approved by us

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any 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 Samuel Chia at 9 East Loockerman Street, Suite 215, Dover, DE 19901, 011-65-81274326, and samchia@seriouslyaddictivemaths com sg, the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2015, 2016, 2017

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Regional Master Franchises	2015	0	1	1
	2016	1	1	2
	2017	2	0	2
Company-Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	2015	0	1	1
	2016	1	1	2
	2017	2	0	2

Table 2
Transfers of Outlets from Regional Master Franchisees to New Owners (other than the Franchisor)
For years 2015, 2016, 2017

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2015	0
	2016	0
	2017	0
Total	2015	0
	2016	0
	2017	0

Table 3
Status of Regional Master Franchisees
For years 2015, 2016, 2017

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
GA	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
TX	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Total	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	1	0	0	0	0	2

Table 4
Status of Company-Owned Outlets
For years 2015, 2016, 2017

Col 1 **State**	**Col 2** **Year**	**Col 3** **Outlets at Start of Year**	**Col 4** **Outlets Opened**	**Col 5** **Outlets Reacquired from Franchisee**	**Col 6** **Outlets Closed**	**Col 7** **Outlets Sold to Franchisee**	**Col 8** **Outlets at End of the Year**
None	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
Total	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0

Table 5
Projected Openings as of December 31, 2017

Column 1 **State**	**Column 2** **Franchise Agreements Signed but Outlet Not Opened**	**Column 3** **Projected New Franchised Outlets in the Next Fiscal Year**	**Column 4** **Projected New Company-Owned Outlets in the Next Fiscal Year**
Georgia	0	1	0
Texas	1	0	0
California	0	3	0
New York	0	2	0
Total	1	6	0

A list of the names of all regional master franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit E to this Disclosure Document when applicable

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every regional master franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Regional Master Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit F to this Disclosure Document when applicable **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system**

During the last three fiscal years, we have not had any regional master franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Seriously Addictive Mathematics System

There are no trademark-specific organizations formed by our regional master franchisees that are associated with the Seriously Addictive Mathematics System

Item 21
FINANCIAL STATEMENTS

Attached as Exhibit F is our audited financial statements for the financial periods ending December 31, 2015, December 31, 2016 and December 31, 2017 and un-audited financials as of March 31, 2018

Our fiscal year end is December 31st

Item 22
CONTRACTS

The following agreements are attached to this Franchise Disclosure Document

Exhibit B – Regional Master Franchise Agreement with Attachments
Exhibit C – Unit Franchise Disclosure Document, including Unit Franchise Agreement
Exhibit H – Form of General Release

Item 23
RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located as the last 2 pages of this Disclosure Document Please print the final page of this Franchise Disclosure Document (our Receipt), sign and date it, and return it to us

Exhibit A to the Disclosure Document

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process We may not yet be registered to sell franchises in any or all of these states

If a state is not listed, Seriously Addictive Mathematics America LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws There may be states in addition to those listed below in which Seriously Addictive Mathematics America LLC has appointed an agent for service of process

There may also be additional agents appointed in some of the states listed

CALIFORNIA Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 Agent California Commissioner of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 1 Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559	**CONNECTICUT** State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent Banking Commissioner
HAWAII (state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** The Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465

INDIANA (state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531	**MARYLAND** (state administrator) Office of the Attorney General Securities Division 200 St Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (for service of process) Maryland Securities Commissioner 200 St Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN (state administrator) Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W Ottawa Street, 6th Floor Lansing, Michigan 48933 (517) 373-7117 (for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P O Box 30054 Lansing, Michigan 48909	**MINNESOTA** (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 500 St Paul, Minnesota 55101-2198 (651) 539-1600 (for service of process) Minnesota Commissioner of Commerce
NEW YORK Administrator NYS Department of LawInvestor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8236 Phone (212) 416-6042 Fax Agent for Service Attention NY Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492	**NORTH DAKOTA** North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck North Dakota 58505 (701) 328-4712

OREGON Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Division of Securities Rhode Island Dept of Business Regulation John O Pastore Complex – Bldg 69-1 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9500
SOUTH DAKOTA Division of Securities Department of Labor & Regulation 124 S Euclid Avenue, Suite 104 Pierre, South Dakota 57501-3168 (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 (for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON (state administrator) Department of Financial Institutions Securities Division 150 Israel Road S W Tumwater, Washington 98501 (360) 902-8760 (for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S W Tumwater, Washington 98501	**WISCONSIN** (state administrator) Division of Securities Department of Financial Institutions 201 W Washington Ave , 3rd Floor Madison, Wisconsin 53703 (608) 266-1064 (for service of process) Administrator, Division of Securities Department of Financial Institutions 201 W Washington Ave , 3rd Floor Madison, Wisconsin 53703

Exhibit B to the Disclosure Document

REGIONAL MASTER FRANCHISE AGREEMENT AND ATTACHMENTS

SERIOUSLY ADDICTIVE LEARNING CENTER USA LLC

REGIONAL MASTER FRANCHISE AGREEMENT

____

REGIONAL MASTER FRANCHISEE

____

DATE OF AGREEMENT

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ATTACHMENTS

SERIOUSLY ADDICTIVE LEARNING CENTER USA LLC

REGIONAL MASTER FRANCHISE AGREEMENT

AGREEMENT made as of the _____ day of ________________, 20___ (the "Effective Date") by and between Seriously Addictive Learning Center USA LLC, a Delaware limited liability company having its principal place of business at 9 East Loockerman Street, Suite 215, Dover, DE 19901 ("we", "us" or "our"), and _______________, a _____________ having its principal address at _________________ ("you" or "your"), with reference to the following facts

A We are in the business of franchising businesses that provide math instruction using the Seriously Addictive Mathematics system of learning to children between Kindergarten and 12th grades under the name and trademark "Seriously Addictive Mathematics", together with any trademarks, trade names, service marks, slogans and logos which may be authorized in writing by us from time to time (collectively the "Proprietary Marks") We have developed and used, and continue to use and control, the Proprietary Marks so as to impart to the public superior standards of quality and service

B You desire us to grant you a license to use the methods, procedures and products developed by us and our parent (the "System") to operate an independent business (the "Franchised Business") that sells and services Seriously Addictive Mathematics franchises ("Unit Franchises") to qualified individuals and business entities ("Unit Franchisees") who will provide math instruction using the Seriously Addictive Mathematics system of learning to children between Kindergarten and 12th grades in the territory described in Section 1 of this Agreement, and you agree that your operation of the Franchised Business shall be governed by the terms, covenants and conditions contained in this Agreement Our System includes a method of offering and selling Unit Franchises, management methods, marketing programs, financial reporting, Unit Franchisee performance reporting, and providing services to Unit Franchisees, all of which we may modify and/or update from time to time during the term of this Agreement

C You represent and warrant to us, as an inducement to our execution of this Agreement, that all statements made by you and all materials provided to us by you in connection with the grant of this franchise to you are true, accurate and complete and that you have made no misrepresentations or material omissions in connection with obtaining this franchise We grant this franchise in reliance upon each and all of your representations

NOW, THEREFORE, IT IS AGREED

1 GRANT OF FRANCHISE

1 1 Rights Granted to You

We grant to you, upon the terms and conditions contained in this Agreement, the exclusive right to establish and operate a Franchised Business and a license to use the methods, procedures and products developed by us in the business of selling and servicing Unit Franchises in the territory described on Attachment A attached to this Agreement and incorporated into this Agreement by reference (the "Regional Master Territory") You shall operate the Franchised Business at or from a location of your choice within the Regional Master Territory upon the terms and conditions set forth in this Agreement The Proprietary Marks, any Internet domain names, URLs, copyrights, toll-free "1-800", "1-888" and "1-877" telephone numbers or other like toll-free telephone numbers which may be utilized by us or our affiliates, and their mnemonics, and other identifying marks constituting a part of the System, now or in the future, shall be used by you only in connection with the operation of the Franchised Business The rights granted herein include the limited right to sublicense the use of the Proprietary Marks to Unit Franchisees in the Regional Master Territory

1 2 Non-Exclusive Grant

You acknowledge and agree that the franchise granted to you hereunder is non-exclusive and is only for one (1) Franchised Business in the Regional Master Territory, that you are not granted any area, market, or protected territorial rights other than as expressly provided in Section 1 1 of this Agreement, and that you shall not have the right to sublicense, sublease, subcontract or enter into any management agreement providing for the right to operate the Franchised Business or to use the System granted pursuant to this Agreement, except in the manner expressly provided for in Section 5 1 of this Agreement

1 3 Our Reserved Rights

We and our affiliates retain the right, among others, in any manner and on any terms and conditions that we deem advisable, and without granting you any rights therein

1 3 1 To own, acquire, establish, and/or operate, and license others to establish and operate, other Franchised Businesses at any location outside of the Regional Master Territory

1 3 2 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under other proprietary marks or other systems, whether such businesses are the same, similar, or different from the Franchised Business, at any location within or outside of the Regional Master Territory

1 3 3 To license others to sell or distribute any products or services which bear any proprietary marks, including the Proprietary Marks, at any location outside of the Regional Master Territory

2 OPERATION OF THE FRANCHISED BUSINESS

You acknowledge and agree that

2 1 Name of Franchised Business

You shall operate the Franchised Business in the Regional Master Territory using the assumed trade name "Seriously Addictive Mathematics", "Seriously Addictive Mathematics of [City]" and/or any other trade name we designate in conjunction with your formal business name You shall not use the Proprietary Marks, or any part thereof, as part of your corporate name or other legal name, nor shall your corporate or other legal name include any other service name The name of your corporate entity and any trade or assumed names or other legal names used by you in the operation of the Franchised Business shall be approved by us prior to any use by you

2 2 Full Time, Attention and Best Efforts

You shall devote all of your time, attention and best efforts to the Franchised Business pursuant to this Agreement and all work and services performed and/or supervised by you under this Agreement shall be performed and/or supervised by you or by your authorized employees You shall adhere to all current established policies, practices and procedures of the System, and as the same may be amended from time to time, and shall not deviate therefrom without our prior written consent

2 3 **Modifications to System and Manuals**

The System, our Operations Manual, and any other manuals loaned to you by us pursuant to this Agreement (collectively the "Manuals"), and the products and services offered by the Franchised Business may be modified by us at any time and from time to time, including, without limitation, by the addition, deletion and/or modification of operating procedures, products and services You shall comply, at your expense, with all such additions, deletions and/or modifications, including, without limitation, all requirements to implement the addition, deletion and/or modification You shall implement any System changes upon receipt of notice thereof from us and shall complete their implementation within such time as we may specify You shall ensure that each Unit Franchisee in your Regional Master Territory also complies with any System changes, as such changes may affect the Unit Franchisees

3 INITIAL AND EXTENDED TERMS

3 1 **Initial Term**

The initial term of this Agreement shall commence upon the Effective Date and shall expire ten (10) years from the Effective Date, unless sooner terminated under the terms of this Agreement You shall have no right or option to extend or renew the term of this Agreement except as provided in Section 3 2 of this Agreement

3 2 **Options to Renew**

You shall have the option to renew the term of this Agreement on the terms and conditions set forth in this Agreement, for one (1) additional ten (10) year period, upon written notice given by you to us not less than six (6) months nor more than twelve (12) months prior to the scheduled expiration date of the term then in effect, provided that each of the following conditions are satisfied

3 2 1 You shall not be in default of any provision of this Agreement, or any other agreement between you and us or our affiliates, or any standards set forth in the Manuals, and you shall have complied with all the terms and conditions of this Agreement, the Manuals and any other agreements during the term of this Agreement

3 2 2 You shall have satisfied all monetary obligations owed by you to us and our affiliates, and shall have timely met those obligations throughout the term of this Agreement

3 2 3 You shall, at our option, execute our then-current form of Regional Master Franchise Agreement and any addenda thereto for the renewal term, which renewal agreement shall supersede this Agreement in all respects, and the terms of which, including, without limitation, continuing fees payable to us, may differ materially and be less advantageous to you than the terms of this Agreement

3 2 4 You shall comply with our then-current qualification and training requirements

3 2 5 You shall pay us a renewal fee in the sum of Twenty Thousand Dollars ($20,000) for the right to renew this Agreement

3 2 6 You shall execute a general release, in a form prescribed by us, of any and all claims which you may have or believe to have against us and/or our affiliates and our respective officers, directors, agents and employees, whether the claims are known or unknown, which are based on, arise from or relate to this Agreement or the Franchised Business, as well as claims, known or unknown, which are not based on, do not arise from or do not relate to this Agreement or the Franchised Business, but

which relate to other franchise agreements, Franchised Businesses and other agreements between us or our affiliates and you which arose on or before the date of the general release, including, without limitation, all obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, arising under federal, state and local laws, rules and ordinances

3 3 Renewal of Existing Agreement

If we are not offering new regional master franchises, are in the process of revising, amending or renewing our form of Regional Master Franchise Agreement or Regional Master Franchise Disclosure Document or are not lawfully able to offer our then-current form of Regional Master Franchise Agreement at the time you exercise an option to extend the term of this Agreement, we may offer to renew this Agreement upon the terms and conditions set forth in this Agreement for the extended term, or may offer to extend the term of this Agreement on a month-to-month basis following the expiration of the term of this Agreement for as long as we deem necessary or appropriate so that we may subsequently lawfully offer and utilize our then-current form of Regional Master Franchise Agreement

3 4 Continued Compliance

Your right to extend the term of this Agreement shall be subject to your continued compliance with the terms and conditions in this Agreement as well as your compliance with the conditions set forth in Section 3 2 of this Agreement

3 5 Termination at End of Term

If you do not elect to extend the term of this Agreement, this Agreement shall terminate at the end of the term then in effect

4 PAYMENT OF FEES

4 1 Initial Franchise Fee

You shall pay to us an initial franchise fee in the amount of Twenty Seven Thousand Five Hundred Dollars ($27,500) (the "Initial Franchise Fee"), payable upon execution of this Agreement The Initial Franchise Fee shall be deemed fully earned and non-refundable when paid in consideration of administrative and other expenses incurred by us in entering into this Agreement, and for our lost or deferred opportunity to enter into this Agreement with others

4 2 Continuing Fees Payable to Us

You shall pay the following continuing fees to us each month during the term of this Agreement

4 2 1 You shall pay to us a royalty fee based on revenue generated by Unit Franchisees for services (the "Unit Franchise Performance Royalty Fee") equal to fifty percent (50%) of aggregate royalty fees paid to you by Unit Franchisees in the Regional Master Territory pursuant to their Unit Franchise Agreements The Unit Franchise Performance Royalty Fee shall be paid by you to us in the manner provided in Section 4 3 of this Agreement by the second (10th) day of each calendar month based on royalty fees generated and received during the calendar month

4 2 2 You shall pay to us a franchise sales upfront fee (the "Franchise Sales Upfront Fee") for each Unit Franchise you sell in the Regional Master Territory For the first five (5) Unit Franchises sold, 100% of the Franchise Sales Upfront Fee shall be retained by you For each additional Unit Franchise sold (after the first five Unit Franchises sold) in the Regional Master Territory, you shall

pay us an amount equal to fifty percent (50%) of the initial franchise fee collected from each Unit Franchisee upon execution of the Unit Franchisee's Franchise Agreement (a "Unit Franchise Agreement"), provided, however, that if you elect to discount or reduce an initial franchise fee for any reason, the Franchise Sales Upfront Fee shall be payable to us as if the full initial franchise fee had been paid The Franchise Sales Upfront Fee shall be paid by you to us at the same time and in the same manner as the Unit Franchise Performance Royalty Fee provided in Section 4 2 1 above A Unit Franchise shall be deemed to be sold to a Unit Franchisee on the date that you and the Unit Franchisee execute the Unit Franchise Agreement, irrespective of when the Unit Franchise begins operation

4 2 3 In addition to the Unit Franchise Performance Royalty Fee and Franchise Sales Upfront Fee described above, you shall collect from each Unit Franchisee in your Regional Master Territory a "Marketing Fund Contribution" to be contributed to our "Marketing Fund" pursuant to the terms of the individual Unit Franchise Agreements For each Unit Franchise you own and operate, you shall pay the Marketing Fund Contribution on the same basis as Unit Franchisees The Marketing Fund Contribution shall be collected by you from each Unit Franchisee and paid to us without offset or reduction by you

$50 per month per Unit Franchisee for license to use our proprietary software and systems

50% of renewal fees from Unit Franchisees

4 3 Manner of Payment

You shall pay us all Unit Franchise Performance Royalty Fees, Franchise Sales Upfront Fees, and Marketing Fund Contributions due under this Section 4 by electronic funds transfer by us against a bank account maintained by you You agree to execute the documents required by us, our bank and/or your bank in order to permit us to conduct electronic funds transfers to and from your account, and you shall not close your account without our prior consent Your failure to comply with the terms of this Section 4 3 shall be deemed to be a breach of this Agreement You hereby authorize us to initiate debit entries and/or credit collection entries to your bank account for the payment of Unit Franchise Performance Royalty Fees, Franchise Sales Royalty Fees, Marketing Fund Contributions, and all other sums that may become due to us or our affiliates from you You shall make funds available for withdrawal by us by electronic transfer on such dates of each month as we shall designate throughout the term of this Agreement

If you fail to provide the revenue reports described in Section 4 6 below, then in addition to the late fee described in such Section, we may debit your account for one hundred forty (140%) of the last Unit Franchise Performance Royalty Fee, Franchise Sales Royalty Fee and/or Marketing Fund Contribution (as applicable) that we debited If the Unit Franchise Performance Royalty Fee, Franchise Sales Royalty Fee and/or Marketing Fund Contribution we debit are less than the fees you actually owe us, once we have been able to determine the true and correct revenue amounts, we will debit your account for the balance on a day we specify If the Unit Franchise Performance Royalty Fee, Franchise Sales Royalty Fee and/or Marketing Fund Contribution we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due

4 4 Interest on Overdue Amounts

Any payment not actually received by us on or before the second (2nd) day of each month (or the next business day if the second (2nd) of any month is not a business day) shall be deemed overdue and you shall pay to us, in addition to the overdue payment, interest on such overdue amount at the rate of one and one-half percent (1 5%) per month or the maximum rate permitted by law, whichever is less Interest shall accrue from the original due date until payment is received in full Our right to such interest shall be in addition to any other remedies we may have, including, without limitation, the right of set-off to withdraw or retain, from time to time and without notice to you, any amounts due and unpaid by us to you You shall not be entitled to set-off any payments required to be made under this Section 4 against any monetary claim you may have against us

4 5 Late Fee, Insufficient Funds Fee

In the event you fail to provide us with any report we require on or before the date we require it, you agree to pay to us a late fee in the amount of Two Hundred Fifty Dollars ($250) In addition, if, for any reason, any payment owed by you to us is denied by your bank due to insufficient funds in your account, then you shall, in addition to applicable interest as described in Section 4 4 above, pay us an insufficient funds fee in the amount of Two Hundred Fifty Dollars ($250) If you incur three (3) late fees or insufficient funds fees within any twelve (12) month period, we will have the right to terminate this Agreement without providing you an opportunity to cure the default

4 6 Unit Franchise Agreements and Revenue Reports

At our request, you shall submit to us copies of all Unit Franchise Agreements executed with Unit Franchisees within ten (10) days of the date of their execution, together with a copy of all checks presented to you at closing You shall prepare and submit to us a monthly report, not later than the first (1st) day of each month of Franchise Sales Revenue generated by you during the previous calendar month Contemporaneously with the submission of the Franchise Sales Revenue report, you shall prepare and submit to us a monthly report, in such form and including such detail as we require, reflecting royalty fees paid and owed to you by your Unit Franchisees for the previous calendar month Any report not actually received by us when due shall be deemed overdue and you shall pay us a late charge as described above

4 7 Security Interest

In order to secure payment of all Unit Franchise Performance Royalty Fees, Franchise Sales Upfront Fees, Marketing Fund Contributions, and all other sums that may become due to us or our affiliates from you under this Agreement, and to secure your performance of all obligations of any kind, whenever and however incurred, in favor of us or our affiliates

4 7 1 You hereby grant us a security interest in and to all equipment, furniture, fixtures, inventory, supplies and vehicles used in connection with the Franchised Business, now or hereafter acquired by you, together with all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of such assets, all of your rights to use the Proprietary Marks, patents, copyrights and their registrations, trade secret information and other proprietary rights, and all rights granted, owned or licensed to you under this Agreement for the use of the Proprietary Marks, trade names, trade styles, patents, copyrights, trade secret information and other proprietary rights You hereby authorize us to prepare and file all Uniform Commercial Code ("UCC") financing statements and other documents necessary or desirable to evidence, perfect and continue the priority of this security interest under the UCC

4 7 2 If you are and remain in good standing under this Agreement and all other agreements with us and our affiliates, we will consent to your grant of an additional security interest in the Franchised Business or in any of the assets of the Franchised Business if the conditions set forth in Section 12 4 of this Agreement are met

4 7 3 If you are in default of any of the terms and conditions of this Agreement or any other agreements between us and our affiliates and you, we may, in our sole and absolute discretion, exercise our rights with respect to our security interest In such event, you shall be and remain liable for any deficiency remaining due to us and shall be entitled to recover any surplus which results after application of the proceeds derived from the enforcement of our security interest

4 8 Reimbursement of Monies

You shall pay to us, within fifteen (15) days of any written request by us accompanied by reasonable substantiating material, any monies which we have paid, or have become obligated to pay, on your behalf by consent or otherwise under this Agreement

4 9 Application of Fees

Notwithstanding any designation by you, we shall have the sole discretion to apply any payments made by you to any past due indebtedness of yours for Unit Franchise Performance Royalty Fees, Franchise Sales Upfront Fees, Marketing Fund Contributions, or any other indebtedness, in such amounts and in such order as we shall determine

5 YOUR OBLIGATIONS

You understand and acknowledge that every detail of the System is essential to you and us in order to develop and maintain quality operating standards, to increase the demand for the products and services sold by all regional master franchisees operating under the System and to protect the Proprietary Marks and our reputation and goodwill You shall comply with our standards with respect to services, products and operations and shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as we may from time to time prescribe in the Manuals or otherwise You shall refrain from deviating from such standards, specifications and procedures without our prior written consent and from otherwise operating in any manner which reflects adversely on the Proprietary Marks or the System Without limiting the generality of the foregoing, you agree that

5 1 Sale of Unit Franchises

You shall have the right and obligation to market and sell independent Unit Franchises to qualified Unit Franchisees who shall operate a Seriously Addictive Mathematics business as granted in the Unit Franchise Agreement The rights granted to you hereunder do not include the right to sub-franchise others to sell franchises You may not grant any such right to a Unit Franchisee, and Unit Franchisees shall not have the right to sub-franchise or sell Unit Franchises You shall commence operation of the Franchised Business no later than the "Commencement Date" set forth on Attachment A hereto

5 1 1 In addition to the Seriously Addictive Mathematics business you must own and continuously operate, you must sell and have open a minimum of five (5) Unit Franchises during the first (1^{st}) year of operation under this Agreement During your second (2^{nd}) year of operation you must sell and have open an additional eight (8) Unit Franchises, and during your third (3^{rd}) year of operation you must sell and have open an additional ten (10) Unit Franchises, so that by the end of your third (3^{rd}) year of operation you have at least twenty-three (23) Unit Franchises open and operating as well as your own Seriously Addictive Mathematics business We will not grant other franchises nor establish our own Unit Franchises within the Regional Master Territory during the term of this Agreement unless you do not sell the required minimum number of Unit Franchises as set forth herein If you do not sell the required minimum number of Unit Franchises, we may cancel your exclusive right to market and sell Unit Franchises in your Regional Master Territory and may sell additional Regional Master Franchises within

your Regional Master Territory, or we may begin operations of our own in your Regional Master Territory, or we may terminate this Agreement

5 1 2 You shall prepare and present to each applicant for the purchase of a Unit Franchise (an "Applicant") a Franchise Disclosure Document and all other related documents in accordance with the requirements of all federal and state regulatory agencies which now or hereafter may have jurisdiction over the sale of franchises in the Regional Master Territory (a "Unit Franchise Disclosure Document") You may not present a Unit Franchise Disclosure Document to any Applicant until such Unit Franchise Disclosure Document has been submitted to and approved by us or our counsel in accordance with Section 13 of this Agreement and, if applicable, the Unit Franchise Disclosure Document has been registered with the appropriate state authority You agree to make any changes to the Unit Franchise Disclosure Document (including its exhibits) as may be requested by us or our counsel ***We shall have no responsibility whatsoever for the accuracy or legal compliance of your Unit Franchise Disclosure Document or your compliance with the requirements of any regulatory agencies which now or hereafter may have jurisdiction over the sale of franchises You acknowledge and understand that you are solely and exclusively responsible for complying with all federal and state franchise registration and disclosure laws and the payment of all franchise registration and filing fees*** To prepare your Unit Franchise Disclosure Document and comply with applicable franchise registration and disclosure laws as just discussed, you may require the services of a franchise attorney, who would be retained at your expense

5 1 3 You must charge your Unit Franchisees the initial franchise fee (Upfront Fee), royalty fee, monthly proprietary software licensing fee, Marketing Fund Contribution and any other continuing fees that we designate or require, within the limits established by all regulatory agencies which now or hereafter may have jurisdiction over the sale of franchises and the requirements imposed by this Agreement Any deviations from these amounts must be pre-approved by us

5 1 4 You shall not make any misleading or untrue statements or any representations inconsistent with the Unit Franchise Disclosure Document in connection with the sale of Unit Franchises within the Regional Master Territory Further, you shall not provide any Applicant with any document or information in connection with the sale of Unit Franchises within the Regional Master Territory other than documents and information included within the Unit Franchise Disclosure Document You shall make no promises, representations or commitments to any Applicant in connection with the sale of Unit Franchises within the Regional Master Territory, including representations concerning potential profit or income, other than promises, representations or commitments specifically included within the Unit Franchise Disclosure Document

5 1 5 You shall defend at your expense (with legal counsel reasonably satisfactory to us) and shall indemnify and hold harmless us and our affiliates, and our respective officers, directors, shareholders, agents and employees, from and against any and all claims, losses, damages, liabilities, costs and expenses (including, without limitation, actual attorneys', accountants' and consultants' fees and other expenses, including any such expenses incurred in connection with investigating, defending against or settling any such claims sustained or incurred by us), however caused, resulting directly or indirectly from or pertaining to any acts, omissions to act and/or performance by you of your obligations and responsibilities under this Section 5 1, including, but not limited to, unauthorized disclosures to Applicants, any claims of Applicants or Unit Franchisees whose Unit Franchises were sold by you and/or any claims of any regulatory agencies which now or hereafter may have jurisdiction over the sale of franchises in connection with your sales of Unit Franchises

5 2 **Initial Training and Services for Unit Franchisees**

5 2 1 In order to ensure that the integrity of the Proprietary Marks and our goodwill are preserved, you shall provide a comprehensive initial training program for each Unit Franchisee in the Regional Master Territory according to our specifications, including classroom and on-site training and assistance Each Unit Franchisee must complete the initial training program satisfactorily, according to the parameters we specify

5 2 2 You shall thereafter provide sessions of on-location assistance in operations and business management

5 2 3 You will further support and assist each Unit Franchisee by

(a) Making available to each Unit Franchisee in the Regional Master Territory all applicable Manuals, training aids and any pertinent information concerning the System

(b) Providing assistance and guidance to each Unit Franchisee in the Regional Master Territory

(c) Having personnel available for each Unit Franchisee in the Regional Master Territory on an ongoing basis during normal business hours to provide technical assistance, consultation, and advice on marketing and operations procedures and by providing training and support for to each Unit Franchisee in the Regional Master Territory at reasonable rates as established by us

5 2 4 You shall be solely responsible for the services and results of such services performed by you and any Unit Franchisees in the Regional Master Territory for services performed in the Regional Master Territory, as well as for the sale, leasing or distribution of supplies and equipment sold, leased, or distributed by you or any Unit Franchisees in the Regional Master Territory You understand and acknowledge that, in connection with such responsibility, you may require a Unit Franchisee to purchase additional equipment and/or supplies to provide services to a customer In the event a Unit Franchisee cannot perform services to a customer, you shall have the right to assign the customer to another Unit Franchisee All services performed by you and/or a Unit Franchisee in the Regional Master Territory shall be performed in a good and workmanlike manner, to the satisfaction of the customer for whom such services are performed

5 2 5 If you fail to insure and/or enforce the proper performance of such obligations to a customer's satisfaction, or if complaints about such service shall continue for an unreasonable period of time, or if a customer requests in writing that we intervene, we may provide products and services to the customer or cause others to provide such products and services, without any obligation to pay any amounts to you or any Unit Franchisee In addition, we shall have the right, in our sole and absolute discretion, to enforce any provision of any Unit Franchise Agreement if you fail to do so following receipt of a written request by us to enforce the terms of such Unit Franchise Agreement

5 2 6 You shall indemnify, defend and hold us, our parent and our affiliates, and our respective officers, directors, shareholders, employees, agents and attorneys, and their respective heirs, successors and assigns, and each of them, harmless from and against any and all claims arising from any action or omissions to act by you or Unit Franchisees in the Regional Master Territory

5 3 Use of Proprietary Marks

You shall supervise the use of all Proprietary Marks by Unit Franchisees in the Regional Master Territory If you fail to exercise the proper diligence in enforcing the terms of any Unit Franchise Agreement to insure that the Proprietary Marks are being properly used by Unit Franchisees, such failure shall constitute a default under the terms of this Agreement and may result in termination of this Agreement

5 4 Place of Business

You shall maintain a safe and reasonably clean place of business in compliance with all governmental and industry standards and conduct the Franchised Business in a manner that generates goodwill and public approval of you and us

5 5 Insurance

During the term of this Agreement, you shall maintain in force under policies of insurance issued by licensed insurers approved by us insurance coverage as we from time to time require You must maintain insurance related to your operation of the Franchised Business Such insurance coverage will include

5 5 1 As it relates to the operation of your Franchised Business broad form comprehensive general liability coverage against claims for employment practices coverage, bodily and personal injury, death and property damage caused by or occurring in conjunction with the conduct of business by you pursuant to this Agreement and broad form contractual liability coverage, including errors and omissions coverage, under one or more policies of insurance containing minimum liability coverage prescribed by us from time to time, but in no event in an amount less than Two Million Dollars ($2,000,000) aggregate Such insurance shall not have a deductible or self-insured retention in excess of Five Thousand Dollars ($5,000),

5 5 2 As it relates to the operation of your Franchised Business automobile liability insurance coverage, including owned and non-owned vehicles, with limits of not less than One Million Dollars ($1,000,000) per occurrence,

5 5 3 As it relates to the operation of your Franchised Business worker's compensation and employer's liability insurance in statutory amounts, unemployment insurance and state disability insurance as required by governing law for your employees,

5 5 4 As it relates to the Unit Franchisees' operation in the Regional Master Territory, and if you elect to obtain such coverage general liability insurance, which insurance is in addition to any general liability insurance the Unit Franchisees are required to maintain under their Unit Franchise Agreements

You shall also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time including excess liability insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances

The insurance policies required herein shall (a) name us as an additional named insured and contain a waiver of all subrogation rights against us, our affiliates, and our and their successors and assigns, (b) provide for thirty (30) days' prior written notice to us of any material modification, cancellation, or expiration of such policy, (c) provide that the coverage applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured, (d) contain no provision which in any way limits or reduces coverage for you in the event of a claim by any one or more of the parties indemnified under this Agreement, (e) be primary to and without right of contribution from any other insurance purchased by the parties indemnified under this Agreement, and (f) extend to and provide indemnity for all obligations assumed by you hereunder and all other items for which you are required to indemnify us under this Agreement

You shall provide us with evidence of the insurance required hereunder not later than ten (10) days before you begin operating as a Regional Master Franchisee, and with a complete copy of each insurance policy no more than thirty (30) days after delivery of the original proof of insurance Thereafter, prior to the expiration of the term of each insurance policy, you shall furnish us with a copy of each renewal or replacement insurance policy to be maintained by you for the immediately following term and evidence of the payment of the premium therefor Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice together with a ten percent (10%) administrative fee The foregoing remedies shall be in addition to any other remedies we may have at law or in equity

The maintenance of sufficient insurance coverage shall be your responsibility Your obligations to maintain insurance coverage as herein described shall not be affected in any manner by reason of any separate insurance maintained by us nor shall the maintenance of such insurance relieve you of any indemnification obligations under this Agreement

5 6 Computer Hardware and Software

5 6 1 You shall, in accordance with any specifications that we may prescribe and from any suppliers we may designate (which may include us or an affiliate), purchase, lease or license all computer hardware and software designated by us for the Franchised Business, whether in this Agreement, the Manuals or otherwise during the term of this Agreement You shall likewise procure and install printers and other computer-related accessories or peripheral equipment as we may require You shall at all times have a high speed internet connection for your computer system All computer hardware and software specified by us shall be purchased, leased or licensed by you and your sole expense You shall utilize all software programs that we may specify in connection with the operation of the Franchised Business We reserve the right to develop proprietary software programs and, if we elect to do so, you shall execute our standard form of software license agreement for such proprietary software programs upon demand by us, and shall input and maintain in your computer system all software programs, data and information as we prescribe You shall purchase, lease or license all software programs and materials whenever we elect to use new or upgraded programs and materials, either from us or from an approved distributor, if any, and, if from an approved distributor, upon terms determined by such distributor During the term of this Agreement, you shall maintain and update all computer hardware and software as required by us

5 6 2 You shall also purchase all computer-related services (including, without limitation, e-mail services) from suppliers (which may include us or our affiliate) that we may require and designate from time to time

5 7 Payment of Taxes

You shall pay all personal property, sales, excise, use, and other taxes, regardless of type or nature, which may be imposed levied, assessed or charged, on, against, or in connection with the

Franchised Business and any products, services or equipment sold or furnished hereunder, whether those taxes are imposed by any federal, state, municipality, county or parish, or other governmental unity or agency, which may have jurisdiction over such products, services and equipment It shall be your sole responsibility to insure that any Unit Franchisee operating in the Regional Master Territory shall also comply with this Section 5 7 as it may apply to the operation of the Unit Franchisee's business

5 8 Enforcement of Unit Franchise Agreements

You shall take all necessary steps to enforce the terms and condition of all Unit Franchise Agreements and shall be bound by the terms thereof in all dealings with your Unit Franchisees and shall maintain normal office hours, provide adequate communication and support and otherwise maintain and operate your Franchised Business in a manner that will promote the efficiency and success of each Unit Franchisee You shall not terminate the Unit Franchise Agreement of any Unit Franchisee without our prior written consent

5 9 Regional Master Franchisee Training Program

Prior to the Commencement Date, you (or, if you are a corporation, partnership, or limited liability company, a principal of yours acceptable to us and who owns at least a twenty-five percent (25%) equity interest in you) and those of your managers who are approved by us, shall attend and complete to our satisfaction the initial training program (or segments thereof at our discretion) for regional master franchisees offered by us We shall provide such training, instructors, a training manual, and other materials without charge to three (3) persons and you shall pay our then-current training fee for each additional attendee sent to the regional master franchisee training program by you Except as stated in the preceding sentence, you shall be responsible for any and all other expenses incurred in connection with sending your managers to such training including, without limitation, the costs of transportation, lodging, meals, and any wages We shall, in our sole discretion, select the time and location of the initial training program We shall have the right to terminate this Agreement if, at any time during the initial training program, we conclude (in our sole judgment) that you or your principal do not appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the System or this Agreement

5 10 Additional Training, Regional Master Franchisee Meetings

5 10 1 You and your employees shall also attend such additional courses, seminars, and other training programs as we may reasonably require from time to time We shall not charge any fees for those attending these additional courses, seminars, or other training programs, but you shall be responsible for any and all other expenses incurred in connection with attending and sending your employees to such training programs including, without limitation, the costs of transportation, lodging, meals, training materials and any wages We shall, in our sole discretion, select the time and location of all additional training programs

5 10 2 If you request that we provide additional training or assistance on-site at your Franchised Business, you must pay our then-current per diem fee for each representative we send to you to provide training or assistance, and you must reimburse each representative's travel, lodging and meals expenses while providing the additional on-site training or assistance

5 10 3 When we believe it is beneficial to do so, we will hold an annual meeting of our regional master franchisees to conduct additional training, announce new products and/or services or discuss any other matters of interest The annual meeting will be mandatory for all regional master franchisees, unless your absence is excused by us You will bear all costs related to attending the annual

meeting, including travel, lodging, meals, wages and a nominal fee for the meeting for each person attending such meeting

5 11 Supplies and Equipment

You shall require your Unit Franchisees in the Regional Master Territory to purchase supplies and equipment used in the operation of its Unit Franchise business from only designated and approved suppliers to insure quality and uniformity and to take advantage of quantity purchasing discounts, if any We shall provide you with a list of approved and designated suppliers for supplies and equipment prior to the Commencement Date We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid to us or any affiliate that we may designate If we do so, then you hereby acknowledge that you will not assert any interest in such monies

5 12 Compliance with Governmental Regulations and Applicable Law

You shall, as an independent business owner, timely obtain any and all permits, certificates, or licenses necessary for the lawful operation of the Franchised Business including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and the like

You and your principals agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below) In connection with that compliance, you and your principals certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your principals otherwise are not in violation of, any of the Anti-Terrorism Laws "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war Any violation of the Anti-Terrorism Laws by you or your principals, or any blocking of your or your principals' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement

5 13 Office Location

You shall be solely responsible for any leases of real or personal property in connection with the operation of your Franchised Business We reserve the right, but are not required to, approve your office location and any leasehold improvements to such location to protect our image, reputation and goodwill You may elect to operate the Franchised Business from Seriously Addictive Mathematics business you must own and operate, once such Seriously Addictive Mathematics business is open and operating

You shall at all times during the term of this Agreement maintain your office and all fixtures, furnishing, signs and equipment located therein in good order and condition, and in conformity with the System image as may be prescribed by us from time to time You shall, within a reasonable time specified by us make all necessary reasonable additions, alterations, repairs and replacements to your office as required by us to conform to our quality standards, but no others without our prior written consent, including, without limitation, periodic repainting or replacement of signs, furnishings, or equipment No other business venture shall operate out of the premises utilized by you for your Franchised Business without our prior written consent

5 14 Solicitation Advertising

You shall conduct advertising to solicit Applicants for the purchase of Unit Franchisees in the Regional Master Territory You shall expend not less than $2000 each month on such Solicitation Advertising To protect the Proprietary Marks and our goodwill in the industry, you must submit samples of all proposed Solicitation Advertising materials to us at least fifteen (15) days before any use of the same If we do not disapprove the proposed Solicitation Advertising materials within fifteen (15) days after receipt of the same, you may use the proposed Solicitation Advertising materials as submitted to us, provided, however, that if such Solicitation Advertising is required to be submitted to a government agency, you shall so submit such materials to the applicable government agency and shall not use such materials until the materials are approved or disapproved or if the use of the materials otherwise become permissible under law, such as if notice of disapproval is not received from a governmental agency within a stated period of time prescribed by law We may, at any time after you begin to use the Solicitation Advertising materials, prohibit further use of the same, effective upon your receipt of written notice from us to do so

5 15 Policies and Procedures

You shall not have the right to establish policies and/or procedures pertaining to the operation of the Franchised Business to protect the Proprietary Marks and our goodwill in the industry outside of the policies and/or procedures that we designate You and all Unit Franchisees subject to the license granted under this Agreement shall be bound by our policies and/or procedures upon receipt of the same

5 16 Changes to the System

You acknowledge and agree that the System must continue to evolve in order to reflect the changing market and to meet new and changing customer demands and that, accordingly, variations and additions to the System may be required from time to time in order to preserve and enhance the public image of the System and to insure the continuing operation efficiency of Unit Franchisees generally Accordingly, you acknowledge and agree that we may from time to time change the System, including, without limitation, the adoption and use of new or modified trademarks, products, services, equipment and furnishings and new techniques and methodologies relating to the preparation, sale, promotion and marketing of services and supplies You shall promptly accept, implement, use and display all such additions, modifications and changes at your sole cost and expense, and you shall ensure that all Unit Franchisees in your Regional Master Territory promptly accept, implement, use and display all such additions, modifications and changes

You further acknowledge and agree that we may inspect your Franchised Business and any Unit Franchise in the Regional Master Territory to verify that your Franchised Business and/or such Unit Franchise is operating in compliance with our System, as it may be modified from time to time

5 17 Developments are Our Property

You acknowledge and agree that, in consideration for the right to use the System and our expertise in the field, if you, any of your employees or any Unit Franchisees in the Regional Master Territory develop any new concept, process or improvement in the operation or promotion of the Franchised Business, you will promptly notify us and provide us with all necessary information concerning same, without any compensation to you, your employee or Unit Franchisee You acknowledge and agree that any such concept, process or improvement shall become our property and we may utilize or disclose such information to other regional master franchisees and unit franchisees as we determine to be appropriate

5 18 Financial Statements and Updated Unit Franchise Disclosure Document

You shall, at your sole cost and expense, prepare and submit to us within one hundred twenty (120) days after each fiscal year end, a complete, audited financial statement for the preceding fiscal year prepared by an independent certified public accountant in accordance with generally accepted accounting principles Each audited financial statement shall include a balance sheet and a profit and loss statement

If you own, directly or beneficially, a controlling financial interest in any other business, the financial statements required to be submitted by you must reflect your financial condition and your other business operations on a consolidated basis You understand and acknowledge that the Federal Trade Commission's disclosure requirements for franchising (16 CFR Part 436) require you to include audited financial statements each year after your fiscal year end You further understand and acknowledge that, as with your initial Unit Franchise Disclosure Document, all annual updates to your Unit Franchise Disclosure Document shall be submitted to us or our counsel for review within one hundred twenty (120) days after each fiscal year end

Notwithstanding the foregoing, we reserve the right to inspect or examine your accounts, books, records and tax returns, at any reasonable time, with or without prior notice to you

5 19 Our Website

We or one or more of our designees may establish a website or series of websites, including but not limited to any apps that we may introduce, for the System to advertise, market and promote Seriously Addictive Mathematics businesses and the products and services they offer, the Unit Franchise and/or regional master opportunity, and/or for any other purposes that we determine are appropriate for Seriously Addictive Mathematics businesses (collectively, the "System Website") If we include information about your Franchised Business on the System Website, you agree to give us the information and materials that we periodically request concerning the Franchised Business and otherwise participate in the System Website in the manner that we periodically specify By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe upon any third party's rights

We shall own all intellectual property and other rights in the System Website and all information it contains including the domain name or uniform resource locator ("URL") for the System Website, the log of "hits" by visitors, and any personal or business data that visitors (including you and your personnel) supply We may implement and periodically modify System standards relating to the System Website and, at our option, may discontinue the System Website, or any services offered through the System Website, at any time

All advertising, marketing and promotional materials that you develop for your Franchised Business must contain notices of the URL of the System Website in the manner that we periodically designate You may not develop, maintain or authorize any other website, other online presence or other electronic medium that mentions or describes the Franchised Business, the System or displays any of the Marks without our prior approval We do not restrict the use of internet or web page advertising within or outside of your Regional Master Territory, but the advertising content must be approved by us before it is used

Nothing in the Franchise Agreement shall limit our right to maintain websites other than the System Website or to offer and sell products and services under the Marks from the System Website, another website or otherwise over the Internet without payment or obligation of any kind to you

You are strictly prohibited from establishing your own website related to the Proprietary Marks or our System without our prior written consent, which we do not have to provide You are also prohibited from promoting your Franchised Business on social and networking websites, including Facebook, LinkedIn, MySpace or Twitter, without our prior written consent We will control all social media initiatives You must comply with our System standards regarding the use of social media in the operation of your Franchised Business, including prohibitions on your and your employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools) We will provide access to branded social media pages/handles/assets, and you must update these regularly We reserve the right to conduct collective/national campaigns via local social media on your behalf

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any System Website we establish and maintain, including any and all material you may furnish to us as provided above

5 20 Our Intranet

5 20 1 We may, at our sole discretion and option, establish and maintain a private method of communication for use only by employees and regional master franchisees of ours, as well as Unit Franchisees in the System (an "Intranet"), through which we, regional master franchisees, our employees and Unit Franchisees may communicate with each other, and through which we may disseminate the Manuals, updates thereto and other confidential information We shall have sole discretion and control over all aspects of the Intranet, including the content and functionality thereof We will have no obligation to maintain the Intranet indefinitely, and may dismantle it at any time without liability to you

5 20 2 If we establish an Intranet, you shall have the privilege to use the Intranet, subject to your strict compliance with the standards and specifications, protocols and restrictions that we may establish from time to time Such standards and specifications, protocols and restrictions may relate to, among other things, (a) the use of abusive, slanderous or otherwise offensive language in electronic communications, (b) communications between or among regional master franchisees that endorse or encourage breach of any regional master franchisee's agreement with us, (c) confidential treatment of materials that we transmit via the Intranet, (e) password protocols and other security precautions, (f) grounds and procedures for our suspending or revoking a regional master franchisee's access to the Intranet, and (g) a privacy policy governing our access to and use of electronic communications that regional master franchisees post to the Intranet We may establish similar standards and protocols related to Unit Franchises You acknowledge that, as administrator of the Intranet, we can technically access and shall be entitled to view any communication that any person posts on the Intranet You further acknowledge that the Intranet facility and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert

5 20 3 Upon receipt of notice from us that we have established the Intranet, you shall establish and continually maintain (during all times that the Intranet shall be established and until the termination of this Agreement) an electronic connection (the specifications of which shall be specified in the Manuals) with the Intranet that allows us to send messages to and receive messages from you, subject to our standards and specifications

5 20 4 If you fail to pay when due any fees or other amounts payable to us under this Agreement, or any other agreement with us or our affiliates, or otherwise fail to perform your obligations under this Agreement or any other agreement with us or our affiliates, we may, without prior notice and without any liability or recourse as against us or our affiliates, temporarily disable or terminate your access to the Intranet until such time as you pay and/or perform your outstanding obligation in full

5 20 5 You shall, at our option and request, and without any additional consideration, assign to us all rights to all e-mail addresses, URLs, domain names, Internet listings, and Internet accounts related to the Franchised Business following demand by us upon your misuse of the same and/or

the termination or expiration of this Agreement Furthermore, you hereby appoint us as your attorney-in-fact with full power and authority for the sole purpose of assigning these rights to us This appointment shall be deemed to be coupled with an interest and shall continue in full force and effect until and following the termination or expiration of this Agreement

6 PROPRIETARY MARKS

6 1 Our Representations

We represent with respect to the Proprietary Marks that

6 1 1 We are the owner or the licensee of the owner of the Proprietary Marks with a license to use, and to license others to use, the Proprietary Marks All references herein to our right, title and interest in and to the Proprietary Marks shall include the owner's right, title and interest in and to the Proprietary Marks

6 1 2 All steps reasonably necessary to preserve and protect the validity of the Proprietary Marks, and our right to use and license others to use, the Proprietary Marks will be taken

6 1 3 We will use and permit you and other regional master franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks

6 2 Your Representations

You represent with respect to the Proprietary Marks that

6 2 1 You shall use only the Proprietary Marks designated by us, and shall use them only in the manner authorized and permitted by us

6 2 2 You shall use the Proprietary Marks only for the operation of the Franchised Business and only connection with approved advertising for the Franchised Business and with the authorized sub-license of the Proprietary Marks to your Unit Franchisees

6 2 3 You shall identify yourself as an independent franchisee-owner of ours in conjunction with any use of the Proprietary Marks and the operation of the Franchised Business, including, but not limited to, such use on invoices, order forms, receipts, business stationery and contracts, as we may designate in writing The form and content of the identification of the Franchised Business as being independently owned and operated shall comply with standards set forth in the Manuals

6 2 4 Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement

6 2 5 You shall not use the Proprietary Marks to incur any obligation or indebtedness on our behalf

6 2 6 You shall execute any documents deemed necessary by us or our affiliates to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability

6 2 7 You shall not use the Proprietary Marks as part of your corporate or other legal name

6 2 8 You shall promptly notify us of any suspected unauthorized use of or any challenge to the validity of the Proprietary Marks, or any challenge to our or our affiliate's ownership of, our license to use and to license others to use, or your right to use the Proprietary Marks licensed under this Agreement You acknowledge that we or our affiliate have the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Proprietary Marks, including any settlement thereof We or our affiliate have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks We shall defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks, provided, however, that your use of the Proprietary Marks is in compliance with this Agreement If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by us If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by you In the event of any litigation relating to your use of the Proprietary Marks, you shall execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket litigation costs in doing such acts

6 3 Your Acknowledgments

You acknowledge and agree that

6 3 1 As between you and us, we are the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them and we have the right to use, and license others to use, the Proprietary Marks

6 3 2 The Proprietary Marks are valid and serve to identify the System and those who are franchised under the System

6 3 3 During the term of this Agreement and after its expiration or termination, you shall not directly or indirectly contest the validity of, or our ownership of the Proprietary Marks, nor take any other action which may tend to jeopardize our or our affiliate's interest therein, or our right to use and to license others to use the Proprietary Marks

6 3 4 Your use of the Proprietary Marks pursuant to this Agreement does not give you any ownership interest or other interest in or to the Proprietary Marks other than the limited license granted by this Agreement

6 3 5 Any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to the benefit of us or our affiliate, and upon expiration or termination of this Agreement and the license herein granted no monetary amount shall be assigned as attributable to any goodwill associated with your use

6 3 6 The right and license of the Proprietary Marks granted under this Agreement to you is non-exclusive, and we and our affiliates have and retain the rights described in Section 1 3 of this Agreement

6 3 7 We reserve the right to change, revise, or substitute different proprietary marks for use in identifying the System and the Franchised Business, if the Proprietary Marks no longer can be used or if we, in our sole discretion, determine that substitution of different proprietary marks will be beneficial to the System In such circumstances, the use of the substituted proprietary marks shall be governed by the terms of this Agreement, and we shall not compensate you for such substitution If our currently licensed Proprietary Marks can no longer be used, you shall implement promptly any such substitution at your expense

6 3 8 We shall have the right, at all reasonable times, to inspect the products and services on which the Proprietary Marks shall be used as we consider necessary to carry out the purposes of inspection as part of appropriate quality control Upon request, you shall submit to us all packages, labels, advertising, advertising brochures and other materials bearing the Proprietary Marks and you specifically undertake to amend to our satisfaction any such packages, labels, advertising, advertising brochures and other materials which are not approved by us

6 4 Changes in Law Affecting Proprietary Marks

If trademark law is amended so as to render inapplicable any of the provisions of this Section 6, you shall execute any documents, and do such acts and things as in our opinion may be necessary to effect the intent and purpose of the provisions of this Agreement

7 NON-COMPETITION

7 1 Restrictions

You acknowledge and agree that pursuant to this Agreement, you and your principals and employees will receive valuable specialized training, trade secrets and confidential information, including, without limitation information regarding the operational, sales, promotional and marketing methods and techniques of us and the System, over and above the ordinary skills and experience possessed by you or your principals and employees prior to execution of this Agreement In consideration for such training, trade secrets and confidential information, you and your principals agree that during the term of this Agreement and for a continuous uninterrupted period commencing upon expiration or termination of this Agreement, regardless of the cause for termination, and continuing for a period of two (2) years thereafter, neither you nor your principals shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company or corporation

7 1 1 Divert or attempt to divert any business or customer of the Franchised Business or any Unit Franchisee anywhere, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with our Proprietary Marks or the System

7 1 2 Employ or seek to employ any person who is at that time employed by us or by any other regional master franchisee or unit franchisee in the System, or otherwise directly or indirectly induce such person to leave his or her employment

7 1 3 Own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Franchised Business, or any other business which performs any type of child tutoring services, anywhere

7 2 Independent Covenants

Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement If all or any portion of any covenant in this Section 7 is held unreasonable or unenforceable by a court having valid jurisdiction in any unappealed final decision to which we are a party, you and your principals shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 7

7 3 Reduction of Scope

You acknowledge and agree that we shall have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Section 7, or any portion thereof, without your consent, effective immediately upon written notice to you, and you further acknowledge and agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of any other provision of this Agreement

7 4 No Defense

You acknowledge and agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 7 You shall pay all costs and expenses (including reasonable attorneys' fees) incurred by us in the enforcement of this Section 7

7 5 Irreparable Injury

You acknowledge and agree that any violation of the terms of this Section 7 would result in irreparable injury to us, for which no adequate remedy at law may be available, and you consent that we may apply for the issuance of an injunction prohibiting any conduct by you in violation of this Section 7, without the posting of any bond

7 6 Additional Parties

At our request, you shall require and obtain execution of covenants similar to those set forth in this Section 7 (including covenants applicable upon the termination of a person's relationship with you) from any or all principals of yours and other personnel employed by you who have received or will receive training from us or from you Every covenant required by this Section 7 6 shall be in a form satisfactory to us, including, without limitation, specific identification of us as a third party beneficiary of such covenants with an independent right to enforce them Your failure to obtain execution of any covenant required by this Section 7 shall constitute a material default under the terms of this Agreement

8 MANUALS AND CONFIDENTIAL INFORMATION

8 1 Use of Manuals

We shall provide the Manuals to you, on loan, for the term of this Agreement and any renewals hereof You shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manuals to ensure compliance with quality standards to protect the Proprietary Marks and our goodwill in the industry You shall treat the Manuals, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein as confidential, and shall maintain such information as secret and confidential You shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person The Manuals shall at all times remain our sole property and shall be kept in a secure place at your office You shall ensure that your copy of the

Manuals is kept current at all times, and in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us shall be controlling If you require or request additional copies of any of the Manuals, you agree to pay our then-current fee for each replacement volume of the Manuals required or requested

8 2 Confidentiality of Information

You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of your operation under the terms of this Agreement You shall divulge such confidential information only to such of your employees as must have access to it in order to perform their employment responsibilities Any and all matters, information, knowledge, know-how, techniques and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement

8 3 Irreparable Injury from Disclosure of Confidential Information

You acknowledge that failure to comply with the requirements of this Section 8 will result in irreparable injury to us for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by us in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to the requirements of this Section 8

8 4 Confidentiality Covenants from Individuals Associated with You

You shall require any employee who may have access to any confidential information of ours to execute covenants that they will maintain the confidentiality of information they receive in connection with their association with you Such covenants shall be in a form satisfactory to us, including, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them

9 OUR OBLIGATIONS

During the term of this Agreement, we shall provide you with the following

9 1 Manuals and Assistance

We will make the Manuals, training aids, and other pertinent information concerning our methods and practices available to you You understand and acknowledge that such materials are provided to you on loan, and that such materials remain our property at all times

9 2 Training Program

We will provide you or one of your principals and up to two (2) additional persons (for a maximum of three (3) trainees) with a comprehensive initial training program and additional training programs from time to time

9 3 Advice and Assistance

We will have personnel available on an ongoing basis during normal business hours to provide technical assistance, consultation, and advice on marketing and operations procedures for the Franchised Business by telephone and e-mail If you request additional on-site assistance and/or training at your Franchised Business location, you agree to pay our then-current per diem fee for each representative we send to your location, and you shall reimburse each representative's expenses while providing such on-site training or assistance including, but not limited to, travel, lodging and meals

9 4 Proprietary Marks

We will allow you to use the Proprietary Marks in the Regional Master Territory, subject to the limitations and restrictions set forth in this Agreement, and to use the processes, methods, materials, equipment and promotional plans developed by us

9 5 Advice

We will advise you on all appropriate facets of the System and all pertinent new developments in the mathematic tutoring industry

10 DEFAULT AND TERMINATION

10 1 Termination in the Event of Bankruptcy or Insolvency

You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors, if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you, if you are adjudicated a bankrupt or insolvent, if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you, if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction, if proceedings for a composition with creditors under any state or federal law should be instituted by or against you, if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed), if you are dissolved, if execution is levied against your business or property, if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days, or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable

10 2 Termination with Notice and without Opportunity to Cure

You shall be in default under this Agreement, and we may, at our option, terminate this Agreement and all rights granted under this Agreement, without affording you any opportunity to cure the default, effective immediately upon receipt of notice by you upon the occurrence of any of the following events

10 2 1 If you at any time cease to operate or otherwise abandon the Franchised Business without our consent, or otherwise forfeit the right to do or transact business in the Regional Master Territory

10 2 2 If you (or an officer or director of or a shareholder in you, if you are a corporation, or a general or limited partner of you, if you are a partnership, or a member, if you are a limited liability company) are convicted of a felony, a crime involving moral turpitude, a crime against a child, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein

10 2 3 If any purported assignment or transfer of any direct or indirect interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business is made to any third party without our prior written consent, contrary to the terms of Section 12 of this Agreement

10 2 4 If an approved transfer, as required by Section 12 6 of this Agreement, is not effected within the time provided following a death or permanent incapacity (mental or physical)

10 2 5 If you fail to comply with the covenants in Section 7 of this Agreement or fail to deliver to us the executed covenants required under Section 7 6 or Section 8 4 of this Agreement

10 2 6 If, contrary to the terms of Section 8 of this Agreement, you or any principal or employee of yours disclose or divulge the contents of the Manuals or other confidential information provided to you by us

10 2 7 If you or any principal of yours has made any material misrepresentations in connection with your application to us for the franchise granted herein

10 2 8 If you, after curing a default pursuant to Section 10 3 of this Agreement, commit the same, similar, or different default again, whether or not cured after notice, or if you incur three (3) late fees or insufficient funds fees in any twelve (12) month period

10 2 9 If you lose through revocation, forfeiture, failure to renew, or otherwise, any license required with respect to the operation of the Franchised Business

10 2 10 If you fail to successfully complete our initial training program

10 2 11 If you understate any payment to us by two percent (2%) or more, or understate any such payment in any amount twice in any two (2) year period

10 2 12 If you knowingly maintain false books or records or submit any false reports or statements to us

10 2 13 If you fail to obtain or maintain required insurance coverage and do not obtain such coverage within ten (10) days after written notice from us

10 2 14 If, within ten (10) days after receipt of written notice from us that any required payment is overdue you do not make such payment to us, our affiliates, or to your suppliers or creditors unless, with respect to your suppliers or creditors, you notify us of the existence on a bona fide dispute and takes immediate action to resolve it

10 2 15 If you fail to make timely payments of any obligation of yours upon which we have advanced any funds for you or on your behalf

10 2 16 If you (or any guarantor, officer or director of or a shareholder in you, if you are a corporation, or a general or limited partner of you, if you are a partnership, or a member, if you are a limited liability company) or any other franchisee of ours which controls, is controlled by, or is under common control with you fail to comply with any or all of the terms of this Agreement or any other agreement between us or our affiliates and you within ten (10) days after receipt of written notice from us to do so

10 2 17 If you default in the repayment or performance of any obligation or financing transaction with third parties under which any asset of the Franchised Business is pledged as security for your performance

10 2 18 If you fail to comply with all applicable laws and ordinances relating to the Franchised Business, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation

10 2 19 If you fail to register the Unit Franchise Disclosure Document with any registration state applicable to the Regional Master Territory or if you violate any requirements of applicable federal or state law related to the disclosure and sale of franchises

10 3 Termination with Notice and Opportunity to Cure

Except as otherwise provided in Sections 10 1 and 10 2 of this Agreement, you shall have thirty (30) days after your receipt from us of a written notice of default within which to remedy any default under this Agreement and to provide evidence thereof to us If any such default is not cured within the specified time, or such longer period as applicable law may require, we shall have the right to terminate this Agreement by providing written notice of termination to you You shall be in default pursuant to this Section 10 3 for failure to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be modified or supplemented by the Manuals, or your failure to carry out the terms of this Agreement in good faith

10 4 Cross-Default

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates) Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates)

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available

10 5 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination as provided herein, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage and/or listing on the System Website, until such time as you correct the breach

10 6 Termination of this Agreement by You

You shall have no right to terminate this Agreement

10 7 Without Prejudice

The termination of this Agreement shall be without prejudice to any remedy or cause of action which we may have against you for the recovery of any monies due us or any equipment or other property of ours, or any other right of ours to recover damages for any breach hereof

10 8 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations, provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement

11 OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to you shall forthwith terminate and

11 1 Cessation of Business

You shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former regional master franchisee of ours

11 2 Cessation of Use of Confidential Information and Proprietary Marks

You shall immediately and permanently cease to use, by advertising or in any other manner whatsoever, any confidential methods, procedures, and techniques associated with the System, and all Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System

11 3 Cancellation of Assumed Name Registration

You shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by you which contains the Proprietary Marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement

11 4 Payment of Monies Due, Liquidated Damages

11 4 1 You shall promptly pay all sums owing to us and our affiliates In the event of termination for any default of yours, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all leasehold improvements, fixtures, furnishings and equipment, inventory, supplies and vehicles located at or used in connection with the

Franchised Business, together with all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of such assets, all your rights to use the Proprietary Marks, patents, copyrights and their registrations, trade secret information and other proprietary rights, and all rights granted, owned or licensed to you under this Agreement for the use of the Proprietary Marks, trade names, trade styles, patents, copyrights, trade secret information and other proprietary rights We shall have full power and authority to file such documents as are necessary to obtain and perfect such lien We shall have the right to set off any amounts which we deem are payable to us by you

11 4 2 In addition to the foregoing, upon termination of this Agreement by us for cause as described in Section 10, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Unit Franchise Performance Royalty Fee and Franchise Sales Royalty Fee you paid during the twelve (12) months of operation preceding the effective date of termination multiplied by (a) twenty-four (24) (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower

11 4 3 The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages

11 4 4 The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee sections You and each of your principals agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee sections

11 5 Costs to Secure Compliance

You shall pay to us all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us prior or subsequent to the termination or expiration of the franchise herein granted in obtaining injunctive or other relief for the enforcement of any provisions of this Section 11

11 6 Return of Manuals and Other Confidential Information

You shall immediately deliver to us the Manuals and all other records, correspondence, files, and any instructions containing confidential information relating to the operation of the Franchised Business which are in your possession, and all copies thereof, all of which are acknowledged to be our property

11 7 Irreparable Injury to Us

You agree and acknowledge that your failure to comply with the provisions of this Section 11 will result in irreparable harm to us and to the Proprietary Marks, and you agree to pay all damages, expenses, court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against violation of, and/or damages resulting from a violation of, the requirements of this Section 11

11 8 Compliance with Post-Term Covenants

All of your covenants, obligations, and agreements which by their terms or by reasonable implication are to be performed, in whole or in part, after the termination or expiration of this Agreement, shall survive such termination or expiration

12 TRANSFER OF INTEREST

12 1 Transfer by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations, and (ii) the assignee shall expressly assume and agree to perform such obligations

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party, may go public, may engage in a private placement of some or all of our securities, may merge, acquire other corporations, or be acquired by another corporation, may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Seriously Addictive Learning Center USA LLC" as Franchisor Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement

12 2 Transfer by You

You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted this franchise in reliance on your (or, if you are a corporation, partnership, or limited liability company, your principals') business skill, financial capacity, and personal character Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in you shall sell, encumber assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business without our prior written consent Any change in the control of you shall be deemed a transfer for purposes of this Agreement Any purported assignment or transfer not having our written consent required by this Section 12 2 shall be null and void and shall constitute a material breach of this Agreement, for which we may immediately terminate without opportunity to cure pursuant to Section 10 2 3 of this Agreement

12 3 Requirements for Transfer by You

We may, in our sole discretion, require any or all of the following as conditions of our consent to a transfer set forth in Section 12 2

12 3 1 You shall not be in default of any provision of this Agreement, any amendment of this Agreement or successor hereto, or any other agreement between you and us or our affiliates

12 3 2 The transferor (and, if the transferor is other than an individual, the transferor and such other owners of a beneficial interest in the transferor as we may request) shall execute a general release, in the form required by us, of any and all claims which the transferor may have or believes to

have against us and/or our affiliates and our respective officers, directors, agents and employees, whether the claims are known or unknown, which are based on, arise from or relate to this Agreement or the Franchised Business, as well as claims, known or unknown, which are not based on, do not arise from or do not relate to this Agreement or the Franchised Business but which relate to other regional master franchise agreements, franchised businesses and other agreements between us or our affiliates and you which arose on or before the date of the general release, including, without limitation, all obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, arising under federal, state and local laws, rules and ordinances

12 3 3 The transferee (or, if the transferee is other than an individual, a principal of the transferee approved by us) shall demonstrate to our satisfaction that the terms of the proposed assignment do not place an unreasonable financial burden on the transferee, and you understand and acknowledge that we shall be entitled, in connection with assessing the financial burden placed upon any prospective assignee, to share with such prospective assignee information relating to the Franchised Business, including information in our possession relating to operations and sales of the Franchised Business

12 3 4 The transferee (or, if the transferee is other than an individual, a principal of the transferee approved by us) shall demonstrate to our satisfaction that the terms of the proposed assignment do not place an unreasonable operational burden on the transferee, and that the transferee meets our standards for (a) work experience and aptitude, (b) character and reputation, (c) absence of conflicting interests, and (d) such other criteria and conditions as we shall then consider relevant in the case of an application for a new regional master franchise by an applicant not currently operating a Franchised Business

12 3 5 At our request, the transferee (and, if the transferee is other than an individual, such principals of the transferee as we may request) shall execute, for a term ending on the expiration date of this Agreement, the current standard form Regional Master Franchise Agreement (and individual guarantees) then being offered to new regional master franchisees, which Regional Master Franchise Agreement shall supersede this Agreement in all respects and the terms of which Regional Master Franchise Agreement may differ materially from the terms of this Agreement and may be less favorable to the transferee, provided, however, that the transferee shall not be required to pay an initial franchise fee

12 3 6 The transferee shall successfully complete, at its expense, the required initial training program, including payment of the then-current training fee charged by us in those circumstances where you are required to pay a fee for attendees at the initial training programs

12 3 7 Except in the case of a one (1) time transfer to a corporation formed for the convenience of ownership, where the ownership of such corporation is in the same proportion as the ownership of you before such transfer, a transfer fee equal to Ten Thousand ($10,000) Dollars shall be paid by you to us If you desire to conduct business in a corporate capacity, we will consent to the assignment of this Agreement to a corporate entity, one (1) time only, provided that (i) the corporation shall be and shall remain a closely-held corporation, (ii) the stock certificates issued by the corporation shall contain a restriction on transfer referencing this Regional Master Franchise Agreement, in a form required by us, (iii) the ownership of the assignee corporation shall be in the same proportion as the ownership of you before the transfer, and (iv) none of the shares of stock in the assignee corporation shall be held by a business competitor of ours At the time of request for a transfer for the convenience of ownership, you shall submit the following documents to us and we shall review and approve or disapprove such documents within thirty (30) days thereafter

(a) For an assignment to a closely held corporation, you shall provide to us (i) a file stamped copy of the Articles of Incorporation and By-laws of the proposed assignee corporation, (ii) a sample stock certificate, (iii) a Certificate of Good Standing in the state in which the corporation is authorized to do business and the state in which the corporation will conduct the Franchised Business pursuant to this Regional Master Franchise Agreement, (iv) a Schedule of Principals of the corporation and their percentage ownership of the stock of the corporation as required by us, and (v) a list of directors of the corporation In addition, each present and future shareholder of the corporation shall jointly and severally guarantee your performance of each and every provision of this Agreement by executing a Guarantee in the form attached to this Agreement as Attachment B and incorporated into this Agreement by reference

(b) For an assignment to a partnership, you shall provide to us (i) a file stamped copy of the Certificate of Limited Partnership (if applicable) or the Statement of Partnership, (ii) a copy of the fully executed Partnership Agreement, containing an exhibit showing the percentage of ownership in the partnership by all partners and (iii) a Schedule of Principals as required by us In addition, each present and future general partner of the partnership shall jointly and severally guarantee your performance of each and every provision of this Agreement by executing a Guarantee in the form attached to this Agreement as Attachment B

(c) For an assignment to a limited liability company, you shall provide to us (i) a Certificate of Formation of Limited Liability Company, (ii) a fully executed copy of the Operating Agreement, containing an exhibit showing the percentage of ownership of all members in the limited liability company and (iii) a Schedule of Principals as required by us In addition, each present and future member of the limited liability company shall jointly and severally guarantee your performance of each and every provision of this Agreement by executing a Guarantee in the form attached to this Agreement as Attachment B

12 3 8 You shall remain liable for all of your obligations to us and our affiliates which arose prior to the effective date of the transfer, and shall execute any documents reasonably requested by us to evidence such liability

12 3 9 You shall have paid all amounts due to us

12 4 Granting of a Security Interest by You

You shall not grant a security interest in the Franchised Business or in any of the assets of the Franchised Business without first obtaining our prior written consent Our consent or refusal to consent may be based upon whatever factors we, in our sole discretion, deem economically and commercially reasonable in protecting our interests and security interest under this Agreement and the relationship created under this Agreement, however, if you are in good standing under this Agreement and all other agreements between us or our affiliates and you, we shall, upon your written request, execute a written subordination of our security interest to lenders and/or lessors providing financing for the Franchised Business Under any circumstances however, we shall not consent to any such granting of a security interest unless all of the following conditions are met

12 4 1 Such security is granted only for the purpose of securing a loan in your favor, which loan shall only be for the benefit of the Franchised Business

12 4 2 In the event of any default by you under any documents in any way relating to the security interest or the loan to which it relates, we shall have the right at our sole option (but not the

obligation) to cure any such default and/or to be substituted as obligor to the lender whose interests are secured by such security interest

12 4 3 In the event of any such default, and if we choose to be substituted as obligor, we shall be so substituted in all respects on the same terms and conditions to which you were subject, except that any acceleration of the obligations secured, due to your default, shall be void upon cure by us

12 4 4 Such other conditions and terms as we shall deem necessary and/or prudent to protect our interests under this Agreement

12 5 Our Right of First Refusal

If any party holding any direct or indirect interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business desires to accept any *bona fide* offer from a third party to purchase such interest, you shall notify us of such offer at least thirty (30) days before such transfer is proposed to take place, and shall provide such information and documentation relating to the offer as we may require We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and any background materials concerning the proposed transfer that we shall reasonably request, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party If we elect to purchase the seller's interest, the closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of our election to purchase If we decline to purchase the seller's interest, you shall have ninety (90) days from the earlier of (a) receipt of a notice from us declining to exercise our right of first refusal, or (b) thirty (30) days after our receipt of the transferor's written notification of the proposed transfer, to close on the transfer of such interest subject to our approval pursuant to Section 12 3 Failure to effect a transfer with the third party within the ninety (90) day period, or any material change thereafter in the terms of the offer prior to closing, shall constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer Our failure to exercise the option afforded by this Section 12 5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 12, with respect to a proposed transfer In the event the consideration, terms, and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, an independent appraiser shall be designated by us at our expense, and the appraiser's determination shall be binding

12 6 Transfer Upon Death or Disability

Upon the death or permanent disability (mental or physical) of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by us within twelve (12) months after such death or disability Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer, except that the transfer fee shall be waived In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 12, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by us within twelve (12) months, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement We may, at our option, assume management and control of the Franchised Business during such twelve (12) month period and shall be paid a reasonable monthly management fee for our services as determined by us If the interest is not disposed of within such period, we may, at our option, terminate this Agreement pursuant to Section 10 2 4 of this Agreement

12.7 Non-Waiver of Claims

Our consent to a transfer shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee

12.8 Transfer by You in Bankruptcy – Right of First Refusal

If, for any reason, this Agreement is not terminated pursuant to Section 10 1 and this Agreement is assumed, or assignment of the same to any person or entity who has made a *bona fide* offer to accept an assignment of this Agreement is contemplated pursuant to the United States Bankruptcy Code, then notice of such proposed assignment or assumption setting forth (a) the name and address of the proposed assignee, and (b) all of the terms and conditions of the proposed assignment and assumption shall be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and we shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to us upon the same terms and conditions and for the same consideration, if any, as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions which may be payable by you out of the consideration to be paid by such assignee for the assignment of this Agreement

13 UNIT FRANCHISEES

13.1 Form of Unit Franchise Disclosure Document and Unit Franchise Agreement

All Unit Franchise Disclosure Documents and Unit Franchise Agreements utilized by you with Unit Franchisees in the Regional Master Territory shall be in substantially the form of our then-current Unit Franchise Disclosure Document and Unit Franchise Agreement, which shall be prepared by you in accordance with the provisions of this Section and those of Section 5 1, and shall be reviewed and approved by us or our counsel You shall not use any Unit Franchise Disclosure Document or Unit Franchise Agreement that we or our counsel have disapproved You shall not use any Unit Franchise Disclosure Document that has not been registered in any registration state applicable to the Regional Master Territory

You and we acknowledge and agree that we are a third-party beneficiary to all Unit Franchise Agreements between you and Unit Franchisees in the Regional Master Territory, and that we shall have the right to assume any of your responsibilities, duties or functions under such Unit Franchise Agreements in the event that this Agreement expires or is terminated for any reason You shall include in the standard Unit Franchise Agreement used by you a provision which states that we are a third-party beneficiary to the Unit Franchise Agreement and are entitled to the rights granted in this Section 13 We shall have the right, but not the obligation, to enforce any provision of any Unit Franchise Agreement if you fail to properly and promptly do so You shall not terminate any Unit Franchisee without our prior written consent

13.2 Unit Franchise Disclosure Document and Unit Franchise Agreement Amendments

If you desire to change, modify, adjust or amend the terms of our form of the Unit Franchise Disclosure Document and/or Unit Franchise Agreement for the purpose of adapting the Unit Franchise Disclosure Document and/or Unit Franchise Agreement to reflect any terms or conditions which are peculiar to your circumstances or to reflect legal requirements which are peculiar to the Regional Master Territory, or which are required by federal or state law and including, but not limited to, your obligation to update the Unit Franchise Disclosure Document annually as required by applicable law, you shall submit copies of the revised Unit Franchise Disclosure Document and/or Unit Franchise Agreement which include the requested changes to us and/or our counsel no less than thirty (30) days prior to the date said change, modification, adjustment or amendment is to be implemented We reserve the right to deny the change, modification, adjustment or amendment and/or may recommend additional changes or modifications No such change shall materially affect the terms and condition of this Agreement

You understand and acknowledge that you are solely responsible for ensuring that any material changes you make to the Unit Franchise Disclosure Document, once approved by us or our counsel, shall be submitted as an amendment to any registration state applicable to the Regional Master Territory at your expense You further understand and acknowledge that you shall renew the Unit Franchise Disclosure Document with such registration state(s) according to the rules of such registration state(s), but not less frequently than annually, at your expense

13 3 Use of Proprietary Marks

You shall have the responsibility and duty to properly supervise the use of the Proprietary Marks in the Regional Master Territory Your failure to exercise the proper diligence in enforcing the terms of any Unit Franchise Agreement and to insure the appropriate monitoring and use of the Proprietary Marks shall constitute a default under the terms of this Agreement which may result in termination of this Agreement

13 4 Effect of Termination of this Agreement

In the event this Agreement is terminated or expires prior to the end of the term of this Agreement, those portions of this Agreement which pertain to and apply to any Unit Franchise Agreement will continue in full force and effect, but only with regard to those Unit Franchise Agreements which have been entered into and were in effect prior to the date of termination or expiration of this Agreement

13 5 Unit Franchise Refund Policy

You shall comply with our requirements related to a Unit Franchisee's right to terminate its Unit Franchise Agreement, according to the terms of such Unit Franchise Agreement, as well as our policy regarding refunds of initial franchise fees to Unit Franchisees

14 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14 1 Independent Contractor

You understand and agree that you are and will be our independent contractor under this Agreement Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind None of your employees will be considered to be our employees Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency We will not have the power to hire or fire your employees You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Seriously Addictive Mathematics Center does not directly or indirectly vest in us the power to hire, fire or control any such employee

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Seriously Addictive Mathematics

Center and that under no circumstance shall we do so or be deemed to do so You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Seriously Addictive Mathematics Center, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Seriously Addictive Mathematics Center

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Seriously Addictive Mathematics Center Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Seriously Addictive Mathematics

14 2 Sole and Exclusive Employer of Your Employees

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us You further affirm and attest that each of your employees is under the exclusive dominion and control of you and never under the direct or indirect control of us in any fashion whatsoever You alone hire each of your employees, sets their schedules, establishes their compensation rates, and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/ /unemployment insurance premiums) You alone have the ability to discipline or terminate your employees to the exclusion of us, which has no such authority or ability You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that your Seriously Addictive Mathematics Center is at all times staffed at those levels necessary to operate your Seriously Addictive Mathematics Center in conformity with the System and the products, services, standards of quality and efficiency, and other Seriously Addictive Mathematics brand attributes known to and desired by the consuming public and associated with the Proprietary Marks You affirm, warrant and understand that you may staff your Seriously Addictive Mathematics Center with as many employees as you desire at any time so long as our minimal staffing levels are achieved You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate your Seriously Addictive Mathematics Center, and that you are entirely free to disregard our recommendations regarding such employee compensation Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Seriously Addictive Mathematics Center and in no fashion reflects any employment relationship between us and such employees Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees) To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue

14 3 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Controlling Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Controlling Principals or any claim or judgment arising therefrom

15 APPROVALS, WAIVERS AND NOTICES

15 1 Obtaining Approvals

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us therefor, and such approval or consent must be obtained in writing We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor

15 2 No Waiver

No delay, waiver, omission, or forbearance on our part to exercise any right, option, duty, or power arising out of any breach or default by you, or by any other franchisee, of any of the terms, provisions, or covenants thereof, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute our waiver to enforce any such right, option, or power as against you, or as to a subsequent breach or default by you Subsequent acceptance by us of any payments due to us under this Agreement shall not be deemed to be our waiver of any preceding or succeeding breach by you of any terms, covenants, or conditions of this Agreement

15 3 Notices

All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail, by private overnight delivery, or by facsimile Service shall be deemed conclusively made (a) at the time of service, if personally served, (b) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail, (c) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail, (d) twenty-four (24) hours after delivery by the party giving the notice, statement or demand if by private overnight delivery, and (e) at the time of transmission by facsimile, if such transmission occurs prior to 5 00 p m on a business day and a copy of such notice is mailed within twenty-four (24) hours after the transmission Notices and demands shall be given to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party

To Franchisor

Seriously Addictive Learning Center USA LLC
9 East Loockerman Street, Suite 215
Dover, DE 19901
Attention President
Fax

With a copy to

Harold L Kestenbaum, Esq
175 Broad Hollow Road,
Melville, New York 11747
Fax (516) 745-0293

To Regional Master Franchisee

____
____
____
Fax _______________________

With a copy to

____
____
____
Fax _______________________

Either party may change its address for the purpose of receiving notices, demands and other communications as herein provided by a written notice given in the manner aforesaid to the other party

16 ENTIRE AGREEMENT, SEVERABILITY AND CONSTRUCTION

16 1 Entire Agreement

This Agreement, any attachments hereto, and any ancillary agreements between you and us or any affiliate which are executed contemporaneously with this Agreement, constitute the entire and complete Agreement between us (and, if applicable, any affiliate) and you concerning the subject matter thereof, and supersede all prior agreements You acknowledge that you are entering into this Agreement, and any ancillary agreements executed contemporaneously herewith, as a result of your own independent investigation of the business franchised hereby and not as a result of any representation made by us or persons associated with us, or other franchisees, which are contrary to the terms herein set forth or which are contrary to the terms of any Franchise Disclosure Document or other similar document required or permitted to be given to you pursuant to applicable law Except for those permitted under this Agreement to be made unilaterally by us, no amendment, change, or variation from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing Nothing in this Section 16 1 is intended to disclaim, or require you to waive reliance on, any representation made in the Franchise Disclosure Document (the "FDD") that we have provided to you, except with respect to specific contract terms and conditions set forth in the FDD that you have voluntarily waived during the course of franchise-sale negotiations

16 2 Severability and Construction

Except as expressly provided to the contrary herein, each section, paragraph, part, term, and provision of this Agreement shall be considered severable, and if, for any reason, any section, paragraph, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, paragraphs, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and the invalid portions, sections, paragraphs, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement Neither this Agreement or any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise On the contrary, this Agreement has been review by all parties and shall be construed and interpreted according to the ordinary meaning of the words used to fairly accomplish the purposes and intentions of all parties to this Agreement We and you intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable

16 3 Survival of Obligations After Expiration or Termination of Agreement

Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination

16 4 Survival of Modified Provisions

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

16 5 Captions

All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement

16 6 Responsibility

The term "Regional Master Franchisee" or "you" as used in this Agreement shall refer to each person executing this Agreement as Regional Master Franchisee/you, whether such person is one of the spouses, partners, shareholders, members, trustees, trustors or beneficiaries or persons named as included in Regional Master Franchisee/you, and shall apply to each such person as if he were the only named Regional Master Franchisee in this Agreement

16 6 1 If Regional Master Franchisee is a married couple, both husband and wife executing this Agreement shall be liable for all obligations and duties of Regional Master Franchisee under this Agreement as if such spouse were the sole Regional Master Franchisee under this Agreement

16 6 2 If Regional Master Franchisee is a partnership or if more than one person executes this Agreement as Regional Master Franchisee, each partner or person executing this Agreement shall be liable for all the obligations and duties of Regional Master Franchisee under this Agreement

16 6 3 If Regional Master Franchisee is a trust, each trustee, trustor and beneficiary signing this Agreement shall be liable for all of the obligations and duties of Regional Master Franchisee under this Agreement

16 6 4 If Regional Master Franchisee is a corporation or limited liability company, all shareholders or members executing this Agreement shall be liable for all obligations and duties of Regional Master Franchisee under this Agreement as if each such shareholder or member were the sole Regional Master Franchisee under this Agreement

16 6 5 If you are in breach or default under this Agreement, we may proceed directly against each such spouse, partner, signatory to this Agreement, shareholder, member, trustee, trustor or

beneficiary without first proceeding against you and without proceeding against or naming in such suit any other Regional Master Franchisee, partner, signatory to this Agreement, shareholder, member, trustee, trustor or beneficiary The obligations of you and each such spouse, partner, person executing this Agreement, shareholder, member, trustee, trustor and beneficiary shall be joint and several

16 6 6 Notice to or demand upon one spouse, partner, person signing this Agreement, shareholder, member, trustee, trustor or beneficiary shall be deemed notice to or demand upon you and all such spouses, partners, persons signing this Agreement, shareholders, members, trustees, trustors and beneficiaries, and no notice or demand need be made to or upon all such Regional Master Franchisee's spouses, partners, persons executing this Agreement, shareholders, members, trustees, trustors or beneficiaries

16 6 7 The cessation of or release from liability of you, or any such spouse, partner, person executing this Agreement, shareholder, member, trustee, trustor or beneficiary shall not relieve any other Regional Master Franchisee, spouse, partner, person executing this Agreement, shareholder, member, trustee, trustor or beneficiary from liability under this Agreement, except to the extent that the breach or default has been remedied or monies owed have been paid

16 7 Corporation, Partnership or Limited Liability Company

16 7 1 Except as otherwise approved in writing by us, if you are a corporation, you shall (a) confine your activities, and your governing documents shall at all times provide that your activities are confined, exclusively to operating the Franchised Business, (b) maintain stop transfer instructions on your records against the transfer of any equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to us, appears which references the transfer restrictions imposed by this Agreement, (c) not issue any non-voting securities convertible into voting securities, (d) maintain a Schedule of Principals with a current list of all owners of record and all beneficial owners of any class of voting stock of you and furnish the list to us upon request In addition, each present and future shareholder of yours shall jointly and severally guarantee your performance of each and every provision of this Agreement by executing a Guarantee in the form attached to this Agreement as Attachment B

16 7 2 If you are a partnership you shall (a) furnish us with your partnership agreement as well as such other documents as we may reasonably request, and any amendments thereto, and (b) prepare and furnish to us a Schedule of Principals with a current list of all general and limited partners in you In addition, each present and future general partner of yours shall jointly and severally guarantee your performance of each and every provision of this Agreement by executing a Guarantee in the form attached to this Agreement as Attachment B

16 7 3 If you are a limited liability company, you shall (a) furnish us with a copy of your articles of organization and operating agreement, as well as such other documents as we may reasonably request, and any amendments thereto, (b) prepare and furnish to us a Schedule of Principals with a current list of all members and managers in you, and (c) maintain stop transfer instructions on your records against the transfer of equity securities and shall only issue securities upon the face of which bear a legend, in a form satisfactory to us In addition, each present and future member of yours shall jointly and severally guarantee your performance of each and every provision of this Agreement by executing a Guarantee in the form attached to this Agreement as Attachment B

17 APPLICABLE LAW

17 1 Choice of Law

This Agreement shall be interpreted and construed under the laws of the state in which we have our principal place of business at the time the action is initiated In the event of any conflict of law, the laws of such state shall prevail, without regard to the application of such state's conflict of law rules If, however, any provision of this Agreement would not be enforceable under the laws of that state, and if the Franchised Business is located outside of such state and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that other state Nothing in this Section 17 1 is intended by the parties to subject this Agreement to laws, rules, or regulation of any state to which it would not otherwise be subject

17 2 Mediation and Arbitration

17 2 1 We and you acknowledge that during the term of this Agreement disputes may arise between us that may be resolvable through mediation To facilitate such resolution, we and you agree that each party shall submit the dispute between us for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 17 2 3 If we and you cannot agree on a location, the mediation will be conducted in Delaware The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules We and you agree that statements made by us, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation

17 2 2 If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 17 2 3

17 2 3 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Delaware, under the authority of Delaware Statutes The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Delaware Statutes The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Delaware Statutes The decision of the arbitrator(s) will be final and binding on all parties This Section will survive termination or non-renewal of this Agreement under any circumstances Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement

17 3 Venue

The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the county and state in which we have our principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision

17 4 Non-exclusivity of Remedy

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

17 5 Right to Injunctive Relief

Nothing herein contained shall bar our right to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to your (a) use of the Proprietary Marks, (b) obligations upon termination or expiration of the Agreement, (c) assignment or proposed assignment of the Franchised Business, this Agreement or any ownership interest in you, or (d) actions covered by the provisions of Section 11 We also shall be able to seek injunctive relief to prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, is dishonest or misleading to your customers or to the public, or which may impair the goodwill associated with the Proprietary Marks, and you agree to pay all costs and reasonable attorneys' fees incurred by us in obtaining such relief

17 6 Incorporation of Recitals

The recitals set forth in Paragraphs A through C of this Agreement are true and correct and are hereby incorporated by reference into the body of this Agreement

18 SECURITY INTEREST

18 1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Franchised Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchised Business All items in which a security interest is granted are referred to as the "Collateral"

18 2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness")

18 2 1 All amounts due under this Agreement or otherwise by you,

18 2 2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness,

18 2 3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement, and

18 2 4 All other present or future, direct or indirect, absolute or contingent liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Franchised Business, including, but not limited to, a real property mortgage and equipment leases

18 3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us

18 4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral

18 5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Delaware (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found Any sale of the Collateral may be conducted by us in a commercially reasonable manner Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above

18 6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction

19 ACKNOWLEDGMENTS

19 1 Recognition of Business Risks

You acknowledge that you have conducted an independent investigation of the proposed franchise, and recognize that the business venture contemplated by this Agreement involves business risks and that your success will be largely dependent upon your ability as an independent business person We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, as to the potential sales, income, profits, or success of the business venture contemplated by this Agreement, or of other Franchised Businesses

19 2 Receipt of Franchise Disclosure Document

You acknowledge that you have received a copy of our complete FDD for Regional Master Franchised Businesses at least (14) calendar days prior to the date on which this Agreement was executed or any payment was made to us or any of our affiliates You acknowledge and agree that we have made no promises, representations, warranties or assurances to you which are inconsistent with the terms of this Agreement or our FDD concerning the profitability or likelihood of success of the Franchised Business, that you have been informed by us that there can be no guaranty of success in the Franchised Business, and that your business ability and aptitude is primary in determining your success

19 3 Review of Agreement

You acknowledge that you have read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that we have accorded you ample time and opportunity to consult with advisors and counsel of your own choosing about the potential benefits and risks of entering into this Agreement

19 4 Attorneys' Fees

If we become a party to any legal proceedings concerning this Agreement or the Franchised Business by reason of any act or omission of you or your authorized representatives, you shall be liable to us for the reasonable attorneys' fees and court costs incurred by us in the legal proceedings If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit

19 5 Atypical Arrangements

You acknowledge and agree that we may modify the offer of our franchises to other franchisees in any manner and at any time, which offers have or may have terms, conditions, and obligations which may differ from the terms, conditions, and obligations in this Agreement You further acknowledge and agree that we have made no warranty or representation that all Regional Master Franchise Agreements previously issued or issued after this Regional Master Franchise Agreement by us do or will contain terms substantially similar to those contained in this Regional Master Franchise Agreement We may, in our reasonable business judgment and our sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Regional Master Franchise Agreements executed before or after the date of this Regional Master Franchise Agreement with other Regional Master Franchisees in a non-uniform manner

19 6 Limitation of Adjudicative Proceedings

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Franchised Business, brought by any party hereto against the other, shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred

19 7 Trial by Jury

WE AND YOU EACH HEREBY WAIVE OUR RESPECTIVE RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING AND/OR HEARING BROUGHT BY EITHER US OR YOU ON ANY MATTER WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES, THE USE OF THE PROPRIETARY MARKS OR SYSTEM BY YOU, OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE, REGULATION, EMERGENCY OR OTHERWISE, NOW OR HEREAFTER IN EFFECT, TO THE FULLEST EXTENT PERMITTED UNDER LAW

19 8 Punitive or Exemplary Damages

We and you, and our respective directors, officers, shareholders and guarantors, as applicable, each hereby waive to the fullest extent permitted by law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them each is limited to recovering only the actual damages proven to have been sustained by it

19 9 Additional Documents

Each of the parties agrees to execute, acknowledge and deliver to the other party and to procure the execution, acknowledgment and delivery to the other party of any additional documents or instruments which either party may reasonably require to fully effectuate and carry out the provisions of this Agreement

19 10 Counterparts

This Agreement may be executed by the parties in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first shown above

SERIOUSLY ADDICTIVE LEARNING CENTER USA LLC	**REGIONAL MASTER FRANCHISEE**
By ____________________	By ____________________
Name ____________________	Name ____________________
Title ____________________	Title ____________________

SCHEDULE OF PRINCIPALS

ANY OTHER PERSON NOT LISTED IN THIS AGREEMENT WHO IS A SPOUSE, PARTNER, AN OFFICER, DIRECTOR, SHAREHOLDER, GENERAL PARTNER OR MEMBER OF REGIONAL MASTER FRANCHISEE

Name ____
Address ____
Telephone ____________________ Relationship ____________________

Name ____
Address ____
Telephone ____________________ Relationship ____________________

Name ____
Address ____
Telephone ____________________ Relationship ____________________

Name ____
Address ____
Telephone ____________________ Relationship ____________________

Name ____
Address ____
Telephone ____________________ Relationship ____________________

Name ____
Address ____
Telephone ____________________ Relationship ____________________

Attachment A to
Regional Master Franchise Agreement

REGIONAL MASTER TERRITORY AND COMMENCEMENT DATE

REGIONAL MASTER TERRITORY ______________________________
____
____
____
____

COMMENCEMENT DATE ______________________________

SERIOUSLY ADDICTIVE LEARNING CENTER USA LLC

By ______________________
Name ______________________
Title ______________________

REGIONAL MASTER FRANCHISEE

By ______________________
Name ______________________
Title ______________________

Attachment B to
Regional Master Franchise Agreement

GUARANTEES OF REGIONAL MASTER FRANCHISE AGREEMENT

As an inducement to Seriously Addictive Mathematics America LLC ("Franchisor") to enter into a Regional Master Franchise Agreement with ____________________ ("Regional Master Franchisee") dated ________________, 20___ (the "Regional Master Franchise Agreement"), ________________________________ ("Guarantors"), jointly and severally agree as follows

A Guarantors shall pay or cause to be paid to Franchisor all monies payable by Regional Master Franchisee under the Regional Master Franchise Agreement on the days and times in the manner therein appointed for payment thereof

B Guarantors shall unconditionally guarantee full performance and discharge by Regional Master Franchisee of all the obligations of Regional Master Franchisee under the Regional Master Franchise Agreement at the times and in the manner therein provided

C Guarantors shall indemnify and save harmless Franchisor and its affiliates against and from all losses, damages, costs, and expenses which Franchisor and its affiliates may sustain, incur, or become liable for by reason of (1) the failure for any reason whatsoever of Regional Master Franchisee to pay the monies payable pursuant to the Regional Master Franchise Agreement or to do and perform any other act, matter or thing pursuant to the provisions of the Regional Master Franchise Agreement, or (2) any act, action, or proceeding of or by Franchisor for or in connection with the recovery of monies or the obtaining of performance by Regional Master Franchisee of any other act, matter or thing pursuant to the provisions of the Regional Master Franchise Agreement

D Franchisor shall not be obligated to proceed against Regional Master Franchisee or exhaust any security from Regional Master Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Regional Master Franchisee, before proceeding to enforce the obligations of the Guarantors under this Guarantee, and the enforcement of such obligations may take place before, after, or contemporaneously with, enforcement of any debt or obligation of Regional Master Franchisee under the Regional Master Franchise Agreement

E Without affecting the Guarantors' obligations under this Guarantee, Franchisor, without notice to the Guarantors, may extend, modify, or release any indebtedness or obligation of Regional Master Franchisee, or settle, adjust, or compromise any claims against Regional Master Franchisee Guarantors waive notice of amendment of the Regional Master Franchise Agreement and notice of demand for payment or performance by Regional Master Franchisee

F Guarantors' obligations under this Guarantee shall remain in full force and effect, and shall be unaffected by (1) the unenforceability of the Regional Master Franchise Agreement against Regional Master Franchisee, (2) the termination of any obligations of Regional Master Franchisee under the Regional Master Franchise Agreement by operation of law or otherwise, (3) the bankruptcy, insolvency, dissolution, or other liquidation of Regional Master Franchisee, including, without limitation, any surrender or disclaimer of the Regional Master Franchise Agreement by the trustee in bankruptcy of Regional Master Franchisee, (4) Franchisor's consent or acquiescence to any bankruptcy, receivership, insolvency, or any other creditor's proceedings of or against Regional Master Franchisee, or by the winding-up or dissolution of Regional Master Franchisee, or any other event or occurrence which would have the effect at law of terminating the existence of Regional Master Franchisee's obligations prior to the termination of the Regional Master Franchise Agreement, or (5) by any other agreements or other dealings between Franchisor and Regional Master Franchisee having the effect of amending or altering the Regional Master Franchise Agreement or Regional Master Franchisee's obligations under this Guarantee, or, by any want of notice by Franchisor to Regional Master Franchisee of any default of Regional Master Franchisee or by any other matter, thing act, or omission of Franchisor whatsoever

G Notice to Guarantors shall be given as follows

Names and addresses

____
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H This Guarantee shall be interpreted and construed under the laws of the state in which Franchisor has its principal place of business at the time the action is initiated In the event of any conflict of law, the laws of such state shall prevail, without regard to the application of such state's conflict of law rules If, however, any provision of this Guarantee would not be enforceable under the laws of the state in which Franchisor has its principal place of business at the time the action is initiated, and if the Regional Master Franchisee's franchised business is located outside of such state and such provision would be enforceable under the laws of the state in which the Regional Master Franchisee's franchised business is located, then such provision shall be interpreted and construed under the laws of that state Any action brought to enforce or interpret this Guarantee in any court, whether federal or state, shall be brought within the county and state in which Franchisor has its principal place of business at the time the action is initiated, and Guarantors hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the day and year set forth below

GUARANTORS

______________________________ ______________________________

Date ______________________________ Date ______________________________

______________________________ ______________________________

Date ______________________________ Date ______________________________

Attachment C to
Regional Master Franchise Agreement

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1 California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise If the Regional Master Franchise Agreement contains provisions that are inconsistent with the law, the law will control

2 The Regional Master Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under Federal Bankruptcy Law (11 U S C A Sec 101 et seq)

3 The Regional Master Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreement These provisions may not be enforceable under California law

4 Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise

5 Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 79a et seq , suspending or expelling such persons from membership in such association or exchange

6 The Regional Master Franchise Agreement requires binding arbitration The arbitration will occur in Delaware with the costs being borne by equally by the parties Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

7 The Regional Master Franchise Agreement requires application of the laws of Delaware This provision may not be enforceable under California law

8 You must sign a general release if you renew or transfer your franchise California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

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

10 The Regional Master Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

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

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void However, a franchise agreement may provide for arbitration outside of Illinois

Section 41 of the Illinois Franchise Disclosure Act provides that 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

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement

There are presently no arbitration proceedings to which the Franchisor is a party

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2 7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2 7-1 (10)

4 Under Indiana Code 23-2-2 7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests The appropriate sections of the Regional Master Franchise Agreement are hereby amended

5 Under Indiana Code 23-2-2 7-1 (10), franchisee may not agree to waive any claims or rights

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Seriously Addictive Learning Center USA LLC's Franchise Disclosure Document and for its Regional Master Franchise Agreement The amendments to the Regional Master Franchise Agreement included in this addendum have been agreed to by the parties

1 Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

2 Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

3 Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

4 Item 17 of the Disclosure Document is amended to state that the provisions in the Regional Master Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq)

5 Item 17 of the Franchise Disclosure Document and the appropriate sections of the Regional Master Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

6 The appropriate sections of the Regional Master Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

7 The appropriate sections of the Regional Master Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

8 The Regional Master Franchise Agreement is amended to include the following statement "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 "

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

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

(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 thirty (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 five (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 six (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) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement

Any questions regarding this notice should be directed to

Consumer Protection Division
Attn Marilyn McEwen
525 W Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _________, 20__, and effectively amends and revises said Disclosure Document and Regional Master Franchise Agreement as follows

1 Item 13 of the Disclosure Document and the Regional Master Franchise Agreement are amended by the addition of the following language to the original language that appears therein

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use"

2 Item 17 of the Disclosure Document and the Regional Master Franchise Agreement are amended by the addition of the following language to the original language that appears therein

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec 80C 14, Subds 3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld"

3 Item 17 of the Disclosure Document and the Regional Master Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections

> "Minn Stat Sec 80C 21 and Rule 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction"

4 Item 17 of the Disclosure Document and the Regional Master Franchise Agreement are amended by the addition of the following language to the original language that appears therein

"Minn Rule 2860 4400D prohibits us from requiring you to assent to a general release "

5 Any reference to liquidated damages in the Regional Master Franchise Agreement is hereby deleted in accordance with Minn Rule 2860 4400J which prohibits requiring you to consent to liquidated damages

6 The Regional Master Franchise Agreement is hereby amended to comply with Minn Rule 2860 4400J which prohibits waiver of a jury trial

7 The Regional Master Franchise Agreement is hereby amended to comply with Minn Stat §80C 17, Subd 5 regarding Limitations of Claims

8 Under Minn Rule 2860 4400J, franchisees cannot be required to waive their rights under RICO Therefore, the appropriate sections of the Franchise Agreement are hereby deleted

9 Item 6, Insufficient Fund Fees NSF fees are governed by Minnesota Statute 604 113, which puts a cap of $30 on a NSF check This applies to everyone in Minnesota who accepts checks except banks

10 Under Minn Rule 2860 440J, the franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief A court will determine if a bond is required The Regional Master Franchise Agreement is hereby amended accordingly

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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 AND SECURITIES, 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

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

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

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), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer"

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687 4 and 687 5 be satisfied

6 The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee"

You may terminate the agreement on any grounds available by law

7 The following is added to the end of the "Summary" section of Item 17(j), 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), titled "Choice of forum", and Item 17(w), titled "Choice of law"

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

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity The information contained in this disclosure has not been verified by the State If you have any questions about this investment, see an attorney before you sign a contract or agreement

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled (N C G S §66-95)

Effective Date ____________

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document and Regional Master Franchise Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document and Articles 3 and 12 of the Regional Master Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document and Article 7 of the Regional Master Franchise Agreement are amended accordingly

3 Item 6 and Item 17(i) of the Disclosure Document and Article 11 of the Regional Master Franchise Agreement requires the franchisee to consent to termination or liquidated damages Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-

09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota

4 Item 17(u) of the Disclosure Document and Article 17 of the Regional Master Franchise Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

5 Item 17(v) of the Disclosure Document and the provisions of Article 17 of the Regional Master Franchise Agreement which require jurisdiction of courts in Delaware are deleted

6 Item 17(w) of the Disclosure Document and Article 17 of the Regional Master Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

7 Apart from civil liability as set forth in Section 51-19-12 N D C C, which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law

8 The provisions of Article 19 of the Regional Master Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

9 The provisions of Article 19 of the Regional Master Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

Section 19-28 1-14 of the Rhode Island Franchise Investment Act provides that

"A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act"

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Seriously Addictive Learning Center USA LLC for use in the Commonwealth of Virginia shall be amended as follows

1 Additional Disclosure The following statements are added to Item 17 h

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 and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the 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 to surrender any right given to him under the franchise If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of _____________, 20___

ATTEST

SERIOUSLY ADDICTIVE LEARNING CENTER USA LLC

____
Witness

By ______________________
Name ______________________
Title ______________________

FRANCHISEE

____

____

Witness

Attachment D to
Regional Master Franchise Agreement

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees, shareholders, officers, directors, general partners, members and managers of Regional Master Franchisee)

In consideration of my being a ______________________ of __________________ ("Regional Master Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that

1 Pursuant to a Regional Master Franchise Agreement dated ______________, 20___ (the "Regional Master Franchise Agreement"), Regional Master Franchisee has acquired the right and franchise from Seriously Addictive Learning Center USA LLC (the "Company") to establish and operate a Seriously Addictive Mathematics regional master franchised business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only within the Regional Master Territory, as defined in the Regional Master Franchise Agreement

2 The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses under the Proprietary Marks The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information")

3 Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement

4 As ________ of the Regional Master Franchisee, the Company and Regional Master Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Regional Master Franchise Agreement

5 I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Regional Master Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition

6 The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as ______________ of the Regional Master Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such

information has become generally known or easily accessible other than by the breach of an obligation of Regional Master Franchisee under the Regional Master Franchise Agreement

7 Except as otherwise approved in writing by the Company, I shall not, while in my position with the Regional Master Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business which is the same as, or substantially similar to, a Franchised Business (a "Competitive Business"), and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Regional Master Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Regional Master Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business anywhere

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation

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

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

10 The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Regional Master Franchisee I am aware that my violation of this Agreement will cause the Company and the Regional Master Franchisee irreparable harm, therefore, I acknowledge and agree that the Regional Master Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Regional Master Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me Due to the importance of this Agreement to the Regional Master Franchisee and the Company, any claim I have against the Regional Master Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement

11 This Agreement shall be construed under the laws of the State of Delaware The only way this Agreement can be changed is in writing signed by both the Regional Master Franchisee and me

____
Signature

____
Name

____
Address

____
Title

ACKNOWLEDGED BY REGIONAL MASTER FRANCHISEE

By ________________________________

Name ______________________________

Title _______________________________

Exhibit C to the Disclosure Document

UNIT FRANCHISE DISCLOSURE DOCUMENT AND ATTACHMENTS

Exhibit D to the Disclosure Document

LIST OF REGIONAL MASTER FRANCHISEES

HighMarks Education LLC 10450 Medlock Bridge Road, Suite 105, Johns Creek, Georgia 30097 Unit address- 10450 Medlock Bridge Road, Suite 105, Johns Creek, Georgia 30097 770-274-4545	Virtual Math Solutions LLC 123 Bella Luce Shenandoah, Texas 77381 Unit address 24913 Kuykendahl Road, Suite B Tomball, Texas 77375 832-208-2700

*Franchisee who had signed an agreement, but whose outlet had not yet opened as of December 31, 2017

Mathematics Innovation LLC 9722 Highway 90 ALT, Suite 207 Sugar Land, Texas 77478 Unit address 9722 Highway 90A, Suite 107, Sugarland, Texas 77478 832-999-4245	

Exhibit E to the Disclosure Document

**LIST OF REGIONAL MASTER FRANCHISEES
WHO HAVE LEFT THE SYSTEM**

None

Exhibit G to the Disclosure Document

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise If the Regional Master Franchise Agreement contains provisions that are inconsistent with the law, the law will control

2. The Regional Master Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under Federal Bankruptcy Law (11 U S C A Sec 101 et seq)

3. The Regional Master Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreement These provisions may not be enforceable under California law

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 79a et seq , suspending or expelling such persons from membership in such association or exchange

6. The Regional Master Franchise Agreement requires binding arbitration The arbitration will occur in Delaware with the costs being borne by equally by the parties Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

7. The Regional Master Franchise Agreement requires application of the laws of Delaware This provision may not be enforceable under California law

8. You must sign a general release if you renew or transfer your franchise California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

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

10. The Regional Master Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

11. OUR WEBSITE, www seriouslyaddictivemaths com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS

OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www dbo ca gov

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void However, a franchise agreement may provide for arbitration outside of Illinois

Section 41 of the Illinois Franchise Disclosure Act provides that 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

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement

There are presently no arbitration proceedings to which the Franchisor is a party

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2 7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2 7-1 (10)

4 Under Indiana Code 23-2-2 7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests The appropriate sections of the Regional Master Franchise Agreement are hereby amended

5 Under Indiana Code 23-2-2 7-1 (10), franchisee may not agree to waive any claims or rights

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Seriously Addictive Learning Center USA LLC's Franchise Disclosure Document and for its Regional Master Franchise Agreement The amendments to the Regional Master Franchise Agreement included in this addendum have been agreed to by the parties

1 Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

2 Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

3 Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

4 Item 17 of the Disclosure Document is amended to state that the provisions in the Regional Master Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq)

5 Item 17 of the Franchise Disclosure Document and the appropriate sections of the Regional Master Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

6 The appropriate sections of the Regional Master Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

7 The appropriate sections of the Regional Master Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

8 The Regional Master Franchise Agreement is amended to include the following statement "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 "

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

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

(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 thirty (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 five (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 six (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) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement

Any questions regarding this notice should be directed to

Consumer Protection Division
Attn Marilyn McEwen
525 W Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _________, 20__, and effectively amends and revises said Disclosure Document and Regional Master Franchise Agreement as follows

1 Item 13 of the Disclosure Document and the Regional Master Franchise Agreement are amended by the addition of the following language to the original language that appears therein

"In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use"

2 Item 17 of the Disclosure Document and the Regional Master Franchise Agreement are amended by the addition of the following language to the original language that appears therein

"With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec 80C 14, Subds 3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld"

3 Item 17 of the Disclosure Document and the Regional Master Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections

"Minn Stat Sec 80C 21 and Rule 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction"

4 Item 17 of the Disclosure Document and the Regional Master Franchise Agreement are amended by the addition of the following language to the original language that appears therein

"Minn Rule 2860 4400D prohibits us from requiring you to assent to a general release"

5 Any reference to liquidated damages in the Regional Master Franchise Agreement is hereby deleted in accordance with Minn Rule 2860 4400J which prohibits requiring you to consent to liquidated damages

6 The Regional Master Franchise Agreement is hereby amended to comply with Minn Rule 2860 4400J which prohibits waiver of a jury trial

7 The Regional Master Franchise Agreement is hereby amended to comply with Minn Stat §80C 17, Subd 5 regarding Limitations of Claims

8 Under Minn Rule 2860 4400J, franchisees cannot be required to waive their rights under RICO Therefore, the appropriate sections of the Franchise Agreement are hereby deleted

9 Item 6, Insufficient Fund Fees NSF fees are governed by Minnesota Statute 604 113, which puts a cap of $30 on a NSF check This applies to everyone in Minnesota who accepts checks except banks

10 Under Minn Rule 2860 440J, the franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief A court will determine if a bond is required The Regional Master Franchise Agreement is hereby amended accordingly

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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 AND SECURITIES, 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

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

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

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), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer"

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687 4 and 687 5 be satisfied

6 The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee"

You may terminate the agreement on any grounds available by law

7 The following is added to the end of the "Summary" section of Item 17(j), 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), titled "Choice of forum", and Item 17(w), titled "Choice of law"

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

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity The information contained in this disclosure has not been verified by the State If you have any questions about this investment, see an attorney before you sign a contract or agreement

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled (N C G S §66-95)

Effective Date _____________

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document and Regional Master Franchise Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document and Articles 3 and 12 of the Regional Master Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document and Article 7 of the Regional Master Franchise Agreement are amended accordingly

3 Item 6 and Item 17(i) of the Disclosure Document and Article 11 of the Regional Master Franchise Agreement requires the franchisee to consent to termination or liquidated damages Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota

4 Item 17(u) of the Disclosure Document and Article 17 of the Regional Master Franchise Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

5 Item 17(v) of the Disclosure Document and the provisions of Article 17 of the Regional Master Franchise Agreement which require jurisdiction of courts in Delaware are deleted

6 Item 17(w) of the Disclosure Document and Article 17 of the Regional Master Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

7 Apart from civil liability as set forth in Section 51-19-12 N D C C , which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law

8 The provisions of Article 19 of the Regional Master Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

9 The provisions of Article 19 of the Regional Master Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

Section 19-28 1-14 of the Rhode Island Franchise Investment Act provides that

"A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Seriously Addictive Learning Center USA LLC for use in the Commonwealth of Virginia shall be amended as follows

1 Additional Disclosure The following statements are added to Item 17 h

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 and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the 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 to surrender any right given to him under the franchise If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____________, 20___

ATTEST

SERIOUSLY ADDICTIVE LEARNING CENTER USA LLC

____
Witness

By ____________________
Name ____________________
Title ____________________

FRANCHISEE

____
Witness

____

Exhibit H to the Disclosure Document

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of ____________, 20___ by and between Seriously Addictive Learning Center USA LLC, a Delaware limited liability company having its principal place of business located at 9 East Loockerman Street, Suite 215, Dover, DE 19901 (the "Franchisor"), and ________________, a ___________ with a principal address at ____________________ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows

1 **Release by Releasor**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees

2 Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph

3 Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary

4 Delaware law shall govern the validity and interpretation of this Agreement as well as the performance due thereunder This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto

5 In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Delaware

6 This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above

Witness	RELEASOR
________________________	______________________________ (Name)
Witness	SERIOUSLY ADDICTIVE LEARNING CENTER USA LLC
________________________	By __________________________ Name ________________________ Title _________________________

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 Seriously Addictive Learning Center USA LLC offers you a franchise it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If Seriously Addictive Learning Center USA 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A

The franchisor is Seriously Addictive Learning Center USA LLC, located at 9 East Loockerman Street, Suite 215, Dover, DE 19901 Its telephone number is 011-65-81274326

Issuance date April 16, 2018

The name, principal business address and telephone number of the franchise seller for this offering is ____

Seriously Addictive Learning Center USA LLC authorizes the agents listed in Exhibit A to receive service of process for it

I have received a disclosure document dated ________________, 20___ that included the following Exhibits

A – List of State Agencies/Agents for Service of Process	E – List of Regional Master Franchisees Who Left the System
B – Regional Master Franchise Agreement and Attachments	F – Financial Statements
C – Unit Franchise Disclosure Document and Attachments	G – Multi-State Addendum
D – List of Regional Master Franchisees	H – Form of General Release

Date ______________________
(Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

You may return the signed receipt either by signing, dating and mailing it to Seriously Addictive Learning Center USA LLC at 9 East Loockerman Street, Suite 215, Dover, DE 19901, or by e-mailing a copy of the signed and dated receipt to Seriously Addictive Learning Center USA LLC at samchia@seriouslyaddictivemaths com sg

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 Seriously Addictive Learning Center USA LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

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(Do not leave blank)

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