FRANCHISE DISCLOSURE DOCUMENT

SQUIRREL AI LEARNING INC
a Delaware corporation
800 Bellevue Way NE, Suite 500 Bellevue, WA 98004
213-316-6586 / 781-502-1261
info@squirrelai.com / franchise@squirrelai.com
www.squirrelai.com

We offer franchises for the operation of learning centers providing AI-adaptive educational programs, tutoring, and learning services under the "Squirrel Ai Learning" brand.

The total investment necessary to begin operation of a franchise ranges from $123,300 to $167,900. This includes $81,000 to $95,000 that must be paid to us or our affiliates.

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 our franchise department at franchise@squirrelai.com and (781) 502-1261.

The terms of your contract will govern your franchise relationship. Do not 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: June 8, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Squirrel Ai Learning business in my area?	Item 12 and the "territory" provisions in the Franchise Agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management has been involved in material litigation or bankruptcy proceedings.
What's it like to be a Squirrel Ai Learning franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

<u>Special Risks to Consider About *This* Franchise</u>

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

1. **<u>Out-of-State Dispute Resolution.</u>** The Franchise Agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Bellevue, Washington. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Washington than in your own state.

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

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

To simplify the language in this franchise disclosure document (this “Disclosure Document”), “franchisor,” “we,” “us,” or “our” means Squirrel AI Learning Inc. “You” or “your” means the person or entity who buys the franchise from us. If you are a corporation, partnership, limited liability company, or other business entity, your owners will have to guarantee your obligations and be bound by the provisions of the Franchise Agreement (defined below) and other agreements described in this Disclosure Document.

We offer and grant franchises to operate learning centers providing AI-adaptive educational programs, tutoring, and learning services under the “Squirrel Ai Learning” brand (each a “Center”).

The Franchisor

We were incorporated in Delaware in December 2017 as a corporation under the name Yixue Education Inc, which was changed to Squirrel AI Learning Inc in March 2024. Our principal business address is 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004. Our principal telephone number is (781) 502-1261. Our agents for service of process are listed on Exhibit A. We do business under our company name and the “Squirrel AI Learning” brand. We do not do business under any other name. We do not currently directly own or operate any Centers nor do we offer franchises in any other line of business. Since our incorporation in 2017, we have primarily focused on research and development, including AI and adaptive learning technologies, learning systems, and educational content development. We began offering franchises for Centers in June 2026.

Parents, Predecessors, and Affiliates

Our direct parent is AI Education Inc., which has a principal business address of P.O. Box 2075, #31 The Strand, 46 Canal Point Drive, Grand Cayman KY1-1105,Cayman Islands.

Our affiliate, Shanghai Squirrel Cloud Artificial Intelligence Technology Co., Ltd. ("Squirrel Cloud") may provide technology and related support services to franchisees and students of Centers and through a network of agents and distributors, has established over 3,000 Squirrel AI Learning Centers in China as of December 31, 2025. Squirrel Cloud has a principal business address of E5 No.2080-50 Lian Hua Road, Min Hang District, Shanghai, China.

The Franchise Concept

The Squirrel Ai Learning Center concept is designed around guided student self-study rather than a traditional teacher-led tutoring model. Students generally use our designated software, assessments, and device ecosystem to complete individualized learning tasks, while Center staff facilitate onboarding, learning supervision, parent communication, progress monitoring, scheduling, and customer service. Depending on the programs we authorize, the Center may also provide student placement testing, parent consultations, progress conferences, and related support services that are consistent with the Squirrel Ai Learning system.

Centers operate using specified and distinct business format, standards, specifications, methods, training, technology stack, learning platform, data analytics tools, approved products and services, brand identity, and related know-how, all of which we may improve, further develop, or otherwise modify periodically (together, the “System”). We call the Squirrel Ai Learning Center that you will operate your “Center.”

You must comply with all of our mandatory specifications, standards, operating procedures and rules that we periodically prescribe for Squirrel Ai Learning Centers ("System Standards").

You must sign a franchise agreement with us to acquire the right to develop, own and operate a Center (the "Franchise Agreement") using the Marks (defined in Item 13) and the System at a site selected by you and accepted by us (the "Approved Location"). Our current form of Franchise Agreement is attached to this Disclosure Document as Exhibit D.

Market Competition

You will compete with tutoring centers, after-school education businesses, enrichment providers, private tutors, online education companies, test-preparation services, and other local or national educational service providers. Competition may also come from school-sponsored programs and digital learning platforms.

Competition in the supplemental education market may be based on price, location, convenience, online delivery, academic reputation, curriculum, technology, instructor availability, parent satisfaction, student outcomes, and brand recognition. Some competitors may have greater financial resources, more established local market presence, stronger school relationships, more extensive digital platforms, or lower-cost delivery models than the Squirrel Ai Learning system. In addition, changing consumer preferences, student scheduling patterns, school policies, or regulatory requirements may affect the demand for services offered by the Center. Centers may experience some seasonality (i.e. increased sales during summer and holiday breaks when students are not in school and have greater flexibility to participate in supplemental learning programs).

Regulation

You must comply with applicable federal, state, and local laws affecting the operation of your Center, including laws relating to zoning, business licensing, employment, advertising, consumer protection, health and safety, accessibility, and privacy or security of student, parent, and employee data.

You also may be subject to laws or requirements relating to children's privacy, education records, website or app accessibility, online safety, telemarketing, text-message marketing, automatic renewal, product warranty, consumer subscriptions, employment background checks, mandated reporting, and local occupancy or fire-code requirements. If you provide services to schools, districts, or institutional customers, additional contractual or regulatory requirements may apply. There may also be other laws applicable to your Center. You are solely responsible for ensuring that you and your Center's operations comply with all applicable laws and for obtaining the licenses, permits, approvals, and registrations needed to operate the Center at your Approved Location and for maintaining compliance throughout the term of the franchise. We urge you to consult with an attorney concerning any special requirements that may apply to you or your Center.

ITEM 2. BUSINESS EXPERIENCE

Joleen Jing Liang has served as International Chief Executive Officer of Squirrel Ai Learning Inc in Bellevue, Washington since January 2024. Joleen Liang previously served as Co-founder and Chief Marketing Officer of our affiliate Squirrel Ai International - AI Education Inc in Shanghai, China from February 2018 to January 2024.

Qingsong Wen has served as Chief Scientist and Head of AI Research of Squirrel Ai Learning Inc in Bellevue, Washington since October 2023. Qingsong Wen previously served as a Staff Engineer at DAMO Academy, Alibaba Group, (U.S.) Inc.in Bellevue, Washington from October 2017 to October 2023.

Yvonne Liao has served as Partner and Vice President of Operations of Squirrel Ai Learning Inc in Bellevue, Washington since January 2025. Yvonne Liao previously served as Partner, Chief Strategy Officer, and Operations Officer of Squirrel Ai International - AI Education Inc, in Shanghai, China from February 2018 to January 2025.

Stephanie Pearce has served as Director of Math Curriculum of Squirrel Ai Learning Inc in Los Angeles, California since February 2024. Stephanie Pearce previously served as Director of Curriculum, Planning, and Design at Age of Learning, Inc. in Glendale, California from February 2018 to February 2024.

Derek Haoyang Li has served as Chairman of Squirrel Ai Learning Inc in Shanghai, China since June 2026. Derek Haoyang Li has also served as Chairman of our affiliate, Squirrel Ai International - AI Education Inc, in Shanghai, China since January 2014.

ITEM 3. LITIGATION

No litigation is currently required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee in a lump sum on the date that you sign the Franchise Agreement. The initial franchise fee will be $60,000 for the 1st Center developed by you or your affiliates, $40,000 for the 2nd Center developed by you or your affiliates, or $20,000 for the 3rd or subsequent Center developed by you or your affiliates. The initial franchise fee is fully earned when paid and is non-refundable.

For existing franchisees who meet our then-current qualification criteria, we will waive the initial franchise fee for your second Center if your first Center purchases $120,000 or more in learning tablets and waive the initial franchise fee for your third or any subsequent Center if the Center developed and opened immediately prior purchases $60,000 or more in learning tablets.

For incoming franchisees that are acquiring an existing Center through an approved transfer, the initial franchise fee will be reduced to $8,000.

Learning Tablet Inventory

You must purchase an initial supply of learning tablets from us at least 30 days prior to the opening of your Center. We estimate that the cost of these initial pre-opening purchases will range from $21,000 to $35,000 for the purchase of 30 to 50 learning tablets. This amount is fully earned when paid and is non-refundable.

ITEM 6. OTHER FEES

Type of Fee (See Note 1)	Amount	Due Date	Remarks
Royalty Fee (See Notes 1 and 2)	$650 per month plus 10% of Gross Receipts	Monthly	
Marketing Fund Contribution	2% of Gross Receipts	Monthly	Beginning six months after the opening date of your Center.
Renewal Fee	$9,000	Upon renewal, with an option to pay in three installments of $3,000 each	
Transfer Fee	$8,000 (plus reimbursement of our costs and expenses processing the transfer)	Prior to transfer	This fee is payable by transferor and is in addition to the initial franchise fee payable by transferee
Audit Costs	Cost of audit, plus any underpayment and interest	On demand if triggered	You must also reimburse audit costs if the audit discloses an underpayment exceeding 2% for any period.
Late Fee / Interest	Lesser of 1.5% per month or the maximum rate permitted by law	As incurred	
Indemnification	Amount of claim, loss, or expense incurred by us	As incurred	You must indemnify us from any claim, liability, loss or expense arising out of the operation of your Center or your breach of contract.
Supplier Evaluation Fee	$1,000	At the time you submit a request to approve a new supplier	Payable if you wish to purchase products, equipment, software, or services from a supplier that is not on our then-current list of approved suppliers.

Type of Fee (See Note 1)	Amount	Due Date	Remarks
Liquidated Damages	Varies under circumstances	Upon termination	If we terminate your Franchise Agreement because of your default (or you terminate without cause), you must pay us liquidated damages equal to the net present value of the balance of your royalties from the date of termination until the earlier of (i) 3 months from the date of termination, or (ii) the scheduled expiration date of your Franchise Agreement (based on the average monthly amount of your Gross Receipts during the last 3 months of your regular operations of the Center, or if you have been operating your Center for less than 3 months, on the average monthly Gross Receipts of all Centers during our previous fiscal year).
Interim Operations Management Fee	10% of Gross Receipts generated by the Center during the interim period	As incurred	Payable if we must step in to assume interim operations of your Center in your absence. This fee is in addition to all standard Royalty Fees and Marketing Fund Contributions.

Notes:

[1] Except as described in this Item 6, all fees are imposed and collected by and payable to us, are non-refundable, and are uniformly imposed.

You must pay us all amounts in the manner we prescribe in the Franchise Agreement, manuals, invoices, EFT/ACH authorizations, or other system documents. We may require payment by automatic withdrawal, online payment portal, invoice, or other method we designate.

[2] "Gross Receipts" means the total of all revenue and other consideration received by the Franchisee in connection with the operation of the Squirrel Ai Self-Study Center, including, without limitation, student tuition, registration and assessment fees, sales of required learning materials, and any other products or services provided in connection with the operation of the Center or promoted or sold under the Marks,

without deducting any costs, expenses, salaries, commissions, or bonuses payable to employees or independent instructors. Gross Receipts excludes sales tax or other taxes collected by law and remitted to the government; refunds actually paid to customers; coupons, discounts, or promotions approved by Squirrel AI Learning.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is Made
Initial Franchise Fee (See Note 1)	$60,000	ACH	At signing of Franchise Agreement	Us
Learning Tablet Hardware (See Notes 1 and 2)	$21,000 to $35,000	ACH	As invoiced	Us
Estimated Accommodation and Transportation Expenses during Training (See Note 3)	$2,500 to $3,000	As arranged	As required by vendors	Travel Providers / Vendors
Rent (3 Months)	$7,500 to $13,500	As arranged	As required by Landlord	Landlord
Tenant Improvement	$6,000 to $13,000	As arranged	As required by contractors	Contractors
Furniture, Signs, Equipment, and Supplies	$10,000 to $15,000	As arranged	As required by vendors	Vendors
Insurance (3 Months)	$3,600 to $4,500	As arranged	As required by vendors	Insurer
Business License and Name Registration	$250 to $1,000	As arranged	As required by vendors	Government Authorities
Professional Fees	$1,000 to $2,000	As arranged	As required by vendors	Attorneys / Accountants / Consultants

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is Made
Phone and Utilities (3 Months)	$1,500 to $3,000	As arranged	As required by vendors	Service Providers
CCTV and Related Equipment	$1,500 to $5,000	As arranged	As required by vendors	Vendors
Pre-Opening Advertising (during the 2 months immediately preceding the scheduled opening date)	$4,000	As arranged	As required by vendors	Media / Vendors
Additional Funds (See Note 4)	$4,450 to $8,900	As arranged	As required by vendors	Various
TOTAL ESTIMATED INVESTMENT (See Note 5)	**$123,300 to $167,900**			

Notes:

1. Except as otherwise provided, none of the amounts payable to us or our affiliates in this table are refundable under any circumstances. All amounts payable to third parties will be paid under the terms of your agreement with these respective third parties.
2. This estimate includes the cost of 30 to 50 learning tablets, which you will be required to purchase at least 30 days prior to opening your Center. These tablets will subsequently be sold by you to customers of your business.
3. This estimate includes accommodation and transportation expenses for two individuals during the initial training program.
4. This item estimates your initial start-up expenses (other than the items identified separately in the table) for your Center's first 3 months of operation, including employee wages, payroll taxes, legal and accounting fees, operating supplies, office supplies and cash shortages. The estimated initial investment figures shown above are based on our and our affiliates experience in the industry and developing Centers.
5. The estimate does not include financing costs, debt service, owner compensation, or losses resulting from unusual delays, cost overruns, or adverse market conditions. We do not offer financing directly or indirectly for any part of the initial investment.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Approved Suppliers

You must operate your Center in accordance with our System Standards and will be required to purchase or license certain products and services only from us, our affiliates, or approved suppliers.

These items include:

- proprietary software, learning platforms, learning tablet hardware, student-management systems, CRM or billing systems (we are the only approved supplier of these items);
- curriculum materials, assessment tools, and learning accounts (we are the only approved supplier of these items);
- branded fixtures, signs, forms, printed materials, and marketing assets (you may purchase these items from suppliers we approve);
- furniture, devices, hardware, or peripherals (you may purchase these items from suppliers we approve).

We may add, remove, and/or otherwise modify our designated and approved suppliers at any time.

We issue specifications, quality standards, compatibility requirements, data-security requirements, integration requirements, branding requirements, or purchasing procedures for products and services used in the Center. These specifications are set forth in our Operations Manual and may be modified by us from time to time in our discretion. We will notify you of material changes to specifications through updates to the Operations Manual, system communications, or other written notice.

Insurance

In addition to the purchases or leases described above, you must also obtain and maintain the minimum insurance coverage that we periodically require under the Operations Manual, at your own expense and from carriers who maintain a Best's Financial Strength rating of "A/VIII" or above, Currently, we require the following types of minimum coverage: (i) General Liability Insurance with minimum coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate; (ii) Workman's Compensation as required by state statute; (iii) "All Risks" property coverage for the full cost of replacement of the Center premises and all other property in which we may have an interest, with no coinsurance clause; and (iv) Cyber Liability Insurance coverage with minimum coverage of $1,000,000. We may require that you obtain all or a portion of your insurance policies from a designated supplier, though we do not currently do so. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Each insurance policy for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us before the cancellation or material change of the policy. You must furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies including termination, we may (but are not required to) obtain such insurance for you and your Center on your behalf, in which event you must cooperate with us and reimburse us on demand for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee.

We estimate that required purchases and leases from us, our affiliates, and our designated or approved suppliers will represent approximately 22% to 32% of all purchases and leases you will make in establishing your Center and approximately 45% to 56% of all purchases and leases you will make in operating your Center.

Approval of Alternative Suppliers

We may permit alternate suppliers for certain items if they satisfy our standards, execute required confidentiality or technical agreements, meet applicable insurance and compliance requirements, and receive our written approval. Our criteria for approving suppliers are available to you upon written request. If you wish to purchase from an alternate supplier, you must submit a written request along with samples, specifications, security documentation, integration information, insurance certificates, pricing information, or other materials we request, together with a supplier evaluation fee of $1,000. If you ask us to evaluate any proposed alternative suppliers, and we elect to do so, you must also reimburse our costs and expenses. We will provide notice of our decision to approve or disapprove an alternative supplier within 15 days of receiving all the requested information and materials. We may refuse to approve any proposed alternate supplier for any reason whatsoever. We may, with or without cause, revoke our approval of any alternate supplier at any time with notice to you. Approval of one supplier for one franchisee or one market does not require us to approve the same supplier for any other franchisee or market.

Revenue from Required Purchases

We and our affiliates may derive revenue or other material consideration from required purchases or leases by franchisees. We may derive this revenue from the direct sale or licensing of proprietary software, learning accounts, curriculum materials, learning tablets, branded materials, and other products and services to franchisees, and from rebates, referral fees, administrative fees, commissions, volume discounts, or similar consideration received from approved suppliers.

Designated suppliers may make payments to us based on franchisee purchases. These payments may take the form of rebates, commissions, referral fees, administrative fees, volume discounts, or the sale of similar goods or services to us at a lower price than to franchisees. As of the issuance date of this Disclosure Document, there are no specific supplier payment arrangements with third-party suppliers.

Squirrel Ai Learning Inc is a startup franchisor that has not yet completed a full fiscal year of franchise operations in the United States. Accordingly, neither we nor any of our affiliates have derived any revenue on the basis of sales of products or services to franchisees or consideration from suppliers based on franchisees' purchase of required goods and services.

Cooperatives, Negotiated Prices, and Material Benefits

We may negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees, though we have not currently done so. We are not required to disclose the specific price terms we negotiate.

We do not currently provide material benefits to a franchisee based on the franchisee's purchase of particular products or services or use of particular suppliers.

As of the issuance date of this Disclosure Document, none of our officers own any interest in any of the approved suppliers. As of the issuance date of this Disclosure Document, we have not established purchasing or distribution cooperatives.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in Disclosure Document
a. Site selection and acquisition	Sections 4	Item 11, Item 12
b. Pre-opening purchases and leases	Sections 4.1, 7.2, 9.1, 9.2	Item 7, Item 8, Item 11
c. Site development and other pre-opening requirements	Sections 7.1, 7.2, 7.3, 7.4	Item 7, Item 11
d. Initial and ongoing training	Sections 5	Item 11, Item 15
e. Opening	Sections 4.2, 7	Item 11
f. Fees	Sections 3.3, 6, 16.2, 17.6	Item 5, Item 6, Item 7, Item 11
g. Compliance with standards and policies	Sections 8, 9.3, 10.1, 15.1	Item 8, Item 11
h. Trademarks and proprietary information	Sections 10 and 11	Item 13, Item 14
i. Restrictions on products and services offered	Section 8	Item 16
j. Warranty and customer service requirements	Section 15.1	Item 11, Item 16
k. Territorial development or performance obligations	Section 4.4	Item 12
l. Ongoing product and service purchases	Sections 8.3, 9.1, 9.2	Item 8
m. Maintenance, appearance, and	Sections 8.1 and 8.5	Item 7, Item 8, Item 11

Obligation	Section in Franchise Agreement	Section in Disclosure Document
remodeling		
n. Insurance	Section 15.2	Item 6, Item 7, Item 8
o. Advertising	Sections 6.3, 6.4, 7.5, 12	Item 6, Item 7, Item 11
p. Indemnification	Section 15.3	Item 6, Item 17
q. Owner's participation / management / staffing	Sections 13.1, 13.2, 13.4, 13.5	Item 11, Item 15
r. Records and reports	Sections 14.1, 14.2, 14.4	Item 6, Item 11
s. Inspections and audits	Sections 6.5, 14.3	Item 6, Item 11
t. Transfer	Sections 16 and 20	Item 17
u. Renewal	Sections 3.2, 3.3, 3.4	Item 17
v. Post-termination obligations	Section 18	Item 14, Item 17
w. Non-competition covenants	Sections 19.1, 19.2, 19.3	Item 17
x. Dispute resolution	Section 21	Item 17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your promissory notes, mortgages, leases or other obligations.

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

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

Pre-Opening Assistance

Before you open your Center, we will:

- approve or disapprove proposed site (Franchise Agreement, Section 4.1)
- provide initial training for up to two attendees (Franchise Agreement, Section 5.1)
- review your Center for opening in accordance with our System Standards. (Franchise Agreement, Section 4.3).

We do not directly provide, deliver, or install any equipment, signs, fixtures, opening inventory, and supplies for our franchisees.

Site Selection

We do not own the premises where your Center will be located, and we will not lease the premises to you. You are responsible for selecting a proposed site for your Center. We do not select sites for you. Before you sign a lease or purchase agreement, you must submit the proposed site to us for our written approval.

In evaluating a proposed site, we generally consider the following factors: general location and neighborhood demographics; proximity to schools, residential areas, and complementary businesses; traffic patterns and accessibility; parking availability; visibility and signage opportunities; size and physical characteristics of the premises; lease terms and occupancy costs; local competition; and zoning and regulatory requirements. We may also consider other factors we deem relevant. We will use commercially reasonable efforts to approve or disapprove your proposed site within 15 days after we receive your completed site submission package. If you and we are unable to agree on an approved site within 60 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement.

Typical Length of Time Before Opening

The typical length of time between the signing of the Franchise Agreement (or the first payment of any consideration for the franchise) and the opening of your Center is estimated to be approximately 1 to 3 months. This time period may vary depending on your ability to obtain a suitable site, negotiate acceptable lease terms, obtain financing, secure necessary building permits and governmental approvals, complete construction or build-out of your premises, install required equipment and technology, hire and train staff, complete our initial training program, and satisfy our pre-opening requirements. Additional factors that may affect the time period include local zoning and building code requirements, weather conditions, material or labor shortages, delayed delivery or installation of equipment, fixtures, or signs, and the availability of our training programs. You must open the Center for business within 3 months after the signing of the franchise agreement, unless we approve a later date.

Training

We will provide initial training for up to two attendees designated by you. You or your Designated Manager (if you are an entity) must complete our initial training program to our satisfaction before opening your Center. Our initial training program, which consists of the "Basic (Initial)" training modules outlined in the table below, is expected to last approximately 3 to 4 days. You will also be required to participate in the "Intermediate" and "Advanced" training modules, which each last approximately 3 to 4 days, after your Center opens. Our training may include instruction on sales, local marketing, use of the learning supervisor portal, operating standards, customer-service expectations, staff supervision, reporting requirements, and other system requirements. The "Basic (Initial)" training modules are conducted entirely online. The "Intermediate" and "Advanced" modules are conducted online, supplemented by a mandatory annual in-person training summit (typically held in the third quarter of the year) at our corporate headquarters or another location we designate.

TRAINING PROGRAM

Stage / Category	Subjects	Approx. Hours of Classroom Training	Basic(Initial) Intermediate Advanced	Approx. Hours of On-the-job Training	Location
Pre Opening	Site Selection	2	Basic(Initial)	N/A	Online
	HRM	2	Basic(Initial)	N/A	Online

	System Support	2	Basic(Initial)	N/A	Online
	License Application	2	Basic(Initial)	N/A	Online
	Financial Model	2	Basic(Initial)	N/A	Online
Opening	SOP for Center Opening	2	Basic(Initial)	N/A	Online
Training	Product Training	2	Basic(Initial)	N/A	Online
	Brand Introduction	2	Basic(Initial)	N/A	Online
	Product System Introduction and Competitors Analysis	2	Basic(Initial)	N/A	Online
	Core Features (Strengths) of the Product	2	Intermediate	N/A	Online
	On-the-Job Training for Sales, Supervisors, and Center Managers	0	Intermediate	6	Online+In Person(LA)
After Opening - General Management	Work Plans - Year/Month/Week/Day	2	Intermediate	2	Online
	Staff Recruitment	2	Basic(Initial)	N/A	Online
	New Staff Training	2	Intermediate	N/A	Online
	Meetings	2	Intermediate	2	Online
	Data management	2	Advanced	2	Online
After Opening- Sales and Marketing	Marketing Strategy	2	Advanced	N/A	Online
	Marketing Events	2	Advanced	2	Online
	Leads Acquisition Strategy	2	Basic(Initial)	N/A	Online
	SOP of Consultation	2	Basic(Initial)	N/A	Online
	Telephoning Skills, Closing Skills, online Customer Service	2	Intermediate	2	Online
	Daily/ Weekly / Monthly / Yearly Work	2	Intermediate	2	Online

	Routines for sales				
After Opening - Tutoring	Performance and Data Analysis to the Parents	2	Intermediate	2	Online+In Person(LA)
	Core Competency of a Supervisor	2	Advanced	N/A	Online
	Basic Acknowledgment and Cultivation of a Supervisor	2	Advanced	N/A	Online
	Subject Curriculum Introduction	2	Advanced	N/A	Online
	Learning Data Analysis	2	Intermediate	2	Online+In Person(LA)
	High Performance of Time-Intensive Foundation Building	2	Intermediate	2	Online+In Person(LA)
	Daily/ Weekly / Monthly / Yearly Work Routines for Supervisor	2	Intermediate	2	Online
TOTAL		**56**		**26**	

Training materials may include our operations manual, training workbooks, presentation slides, video modules, system demonstrations, quizzes, and other materials we prepare. The training program is supervised by Yvonne Yifang Liao, our Vice President of Operations, who has 9 years of experience with us and our affiliates, and 30 years of experience in education, tutoring and franchise operations.

There is no separate charge for our training program. You are responsible for all travel, lodging, meals, and other personal expenses you and your attendees incur in connection with attendance at training.

We may require additional attendees, refresher training, retraining, or specialized training (like child-safety, privacy, data security, AI-platform, operations or compliance training) for managers, center staff, operators of additional Centers, or transferees. We may modify the content, length, location, instructors, format, prerequisites, and standards for successful completion of training at any time.

Training may include classroom instruction, remote sessions, self-study, observation, hands-on system use, assessments, quizzes, operational exercises, and other methods we choose. We may require you to pass evaluations, complete assignments, demonstrate operational or technical proficiency, or satisfy other criteria before we recognize successful completion.

Advertising

Marketing Fund. We will establish and administer a brand promotion fund (the “Marketing Fund”) to administer certain advertising, marketing, and public relations programs for the Squirrel AI system and brand and the promotion of Centers. You must contribute 2% of your Center's Gross Receipts to the Marketing Fund.

The purpose of the Marketing Fund is to promote the Marks, the System, the brand, and Centers generally, and you may not benefit in proportion to your Marketing Fund Contribution. We are not required to spend any specific amount on advertising in your geographic area. We do not expect Centers operated by us and our affiliates to contribute to the Marketing Fund on the same basis as franchisees. Certain franchisees may contribute to the Marketing Fund in different amounts than described in this Disclosure Document, or may not contribute to the Marketing Fund at all, on the basis of prior Franchise Agreements with us and/or negotiated terms.

We will have exclusive control over all programs and services administered by the Marketing Fund, including all creative concepts, materials, and campaigns and their geographic market, media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any website, domain name, email address, social media account, other online presence or presence on any electronic, virtual, or digital medium of any kind ("Online Presence"), or other software or applications; administering advertising and marketing campaigns; administering regional and multi-regional marketing and advertising programs; using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the System, the brand, and/or Centers. The Marketing Fund may pay for its administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, and any other expenses that we or our affiliates incur that are related to administering or directing the Marketing Fund and its programs. We may also elect to use (but will not have the obligation to use) the Marketing Fund to pay for or reimburse franchisees for such costs they may incur for promoting their Centers and/or complying with updated branding guidelines. We may modify Marketing Fund programs, services, or expenditures at any time.

We will account for the Marketing Fund separately from our other funds, but neither we nor any of our affiliates has any fiduciary obligation to you or any other person for administering the Marketing Fund or for any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement on written request, within 120 days after the end of each fiscal year, but not less than 30 days' notice from you of such request. We may have the Marketing Fund audited annually, at the Marketing Fund's expense. We may also administer the Marketing Fund through a separate entity, and such entity will have all of the rights and duties specified here.

We may at any time, on 30 days' prior written notice to you, reduce or suspend Marketing Fund Contributions and/or operations of the Marketing Fund for any length and terminate (and, if terminated, reinstate) the Marketing Fund and associated Marketing Fund Contributions. If we terminate the Marketing Fund, we will spend the remaining balance until such amounts are exhausted. We may elect to maintain multiple Marketing Funds, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Marketing Funds or the administration thereof, in each case provided that each such Marketing Fund will otherwise remain subject to the terms of your Franchise Agreement.

In our most recently ended fiscal year, we did not collect nor spend any Marketing Fund Contributions. As such, we did not spend any amounts principally to solicit franchise sales.

Local Marketing: In addition to the pre-opening advertising expenses described below, beginning in the third full calendar month after the Center's opening, you must spend not less than $1,000 per month on local marketing for the Center. We may change the minimum local marketing spend, upon at least 60 days' advance written notice to you up to $2,000 per month.

You may not use any advertising or promotional materials unless they have been prepared or approved by us in advance. If you wish to develop your own advertising or marketing materials, you must submit them to us for approval before use. We will approve or disapprove proposed materials within 15 business days after receipt. Materials not approved within that period may not be used until expressly approved.

Pre-Opening Marketing. During the two calendar months immediately preceding the scheduled opening date of the Center, you must spend not less than $4,000 on pre-opening advertising and grand-opening promotion for the Center, in accordance with the standards, channels, and creative approvals we specify in the Operations Manual or otherwise in writing.

We do not currently have a franchisee advertising council that advises us on advertising policies.

You are not currently required to participate in any local or regional advertising cooperative.

Computer Systems

You must use the computer systems, software, learning platform, billing tools, student-management systems, reporting tools, and other technology we specify. The computer system currently consists of a PC computer with office applications.

You also must maintain the minimum hardware, connectivity, software licensing, analytics, data protection, and security requirements we establish from time to time. We currently provide the Squirrel Ai Learning platform and related software tools to franchisees as part of the system; you do not separately purchase or license the core learning platform software, but you are responsible for obtaining and maintaining all local hardware, devices, network connectivity, and third-party software necessary to operate the platform at your Center.

We estimate that the initial cost of purchasing or leasing the required local hardware, devices, networking equipment, and third-party software for your Center will be approximately $2,000 to $6,000. These estimates are based on our current system requirements and vendor pricing.

We will provide updates and upgrades to the Squirrel Ai Learning platform and related proprietary software as part of the franchise system. However, we are not contractually obligated to provide ongoing maintenance, repairs, upgrades, or updates to local hardware, devices, networking equipment, or third-party software used at your Center. Third-party vendors may provide maintenance and support for those items under separate agreements between you and the vendor.

We estimate that your annual cost for local hardware maintenance, internet service, device replacement, and third-party software licensing will be approximately $1,000 to $3,500. These estimates are based on our current vendor pricing and system requirements.

We will have independent access to information generated and stored in your computer systems, including but not limited to student enrollment and performance data, financial and billing records, scheduling data, staffing information, operational metrics, and other data generated through the Squirrel Ai Learning platform and required reporting tools. We may access this information at any time without notice to you for purposes of monitoring your compliance with system standards, analyzing system performance, and improving the Squirrel Ai Learning system. There are no contractual limitations on our right to access this information.

The computer system for the Squirrel Ai Learning system may change frequently. We may add, remove, upgrade, replace, or discontinue software tools, dashboards, integrations, reports, devices, security controls, data flows, communication tools, or support procedures. You must implement required changes within the time periods we establish.

Operations Manual

The Table of Contents of the Operations Manual is Exhibit B to this disclosure document. This document is maintained online by Squirrel Ai Learning and contains 196 pages.

Ongoing Assistance

During your operation of your Center, we or our designees will:

- Continue to make our Brand Standards Manual available to you. (Franchise Agreement – Section 10.1)
- Let you use the Marks and certain copyrighted and copyrightable materials. (Franchise Agreement – Section 11)
- Administer the Marketing Fund until such time as it may be terminated. (Franchise Agreement – Section 12.2)
- Maintain a franchise system website. (Franchise Agreement, Section 9.8)
- We may periodically set a maximum or minimum price that you may charge for products and services offered by your Center. We may also require you to comply with an advertising policy which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. (Franchise Agreement – Section 8.6)

Except as expressly stated in the Franchise Agreement, we are not obligated to provide you with any particular level, frequency, or type of support, advertising, consulting, or technical assistance.

ITEM 12. TERRITORY

Your franchise is for a specific location to be approved by us. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We reserve all rights, including, without limitation, the following anywhere in the world:

1. offer online, hybrid, enterprise, school-based, district-based, institutional, and strategic-partnership programs;
2. sell products, software, content, subscriptions, learning accounts, devices, or services directly or indirectly;
3. serve national, regional, school, district, nonprofit, governmental, and enterprise accounts;
4. advertise, market, and generate leads through any channel;
5. establish, acquire, operate, or license alternative channels or formats; and
6. establish or license additional Squirrel Ai self-study learning centers

You may only operate your Center at the Approved Location, and you may not use the Approved Location for any operations other than the operation of your Center. You may not relocate your Center to a location other than the Approved Location without our approval. Our approval will depend on our then-current criteria for relocations, which may change periodically, including the prospects of obtaining a favorable replacement site, the real estate market in your area, your compliance with System Standards, the financial performance of your Center, and other factors we determine. An Approved Location typically corresponds to a designated school or surrounding area with student population of approximately 2,000.

We may offer and sell and grant others the right to offer and sell goods and services to customers located anywhere, including in your Protected Territory. There are no limitations on your ability to solicit customers in any location. However, you may not engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. You may not sell any Center product or service through any alternative channel of distribution, including any Online Presence.

We are not required to pay you if we exercise any of the rights specified in this Item 12.

Affiliated Brands

As of the issuance date of this disclosure document, neither we nor any affiliate currently operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will offer under the Franchise Agreement.

Additional Franchise Rights

If you wish to establish one or more additional Centers, you must apply for and enter into a separate franchise agreement for each additional location, subject to our then-current approval criteria, territory availability, and franchise terms. We are not required to grant you any additional franchises. You do not have any options, rights of first refusal, or similar rights to acquire additional franchises.

ITEM 13. TRADEMARKS

Under the Franchise Agreement, we will license you the right to use our principal marks and any related logos, service marks, and commercial symbols we authorize.

Our current U.S. trademark portfolio that will be licensed to you includes the following marks registered with the United States Patent and Trademark Office on the Principal Register (collectively, the “Marks”):

Mark	**Registration Number**	**Date of Registration**
SQUIRREL AI	7482450	August 20, 2024
	7262469	January 2, 2024

All required affidavits for the registered marks listed above have been filed. No renewal filings for any of the above registered trademarks have become due as of the date of this Disclosure Document.

We have the right to license the use of the Marks described in this Item in connection with the franchise business. We are not aware of any superior rights, pending proceedings, or infringing uses that would materially affect your use of the Marks in the operation of the Center. We are not aware of any effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending infringement, opposition, or cancellation proceedings that are material to the Marks described in this Item. We are not aware of any pending material federal or state court litigation regarding our use or ownership rights in the trademarks listed in this Item. There are no effective agreements that significantly limit our rights to use or license the use of the trademarks listed in this Item in a manner material to the franchise.

You must use the Marks only in the manner we authorize and in accordance with our brand standards, manuals, and system requirements. We may modify, add, discontinue, or substitute marks. If we do so, you may be required, at your expense, to adopt revised signage, materials, digital assets, uniforms, devices, or other branded items. You will not be entitled to compensation for any loss of goodwill associated with a modified or discontinued trademark.

You must promptly notify us of any known or suspected infringement, unauthorized use, or claim relating to the Marks that may affect the system, including any use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you.

We will protect your right to use the principal trademarks listed in this Item and will protect you against claims of infringement or unfair competition arising out of your authorized use of the Marks, as and to the extent stated in the Franchise Agreement. If we are notified of infringing uses or claims described above, we will take such action as we deem appropriate in our sole discretion, but the Franchise Agreement does not require us to take affirmative action in every instance. We have the right to control any administrative proceedings or litigation involving a trademark licensed to you. If you are a party to an administrative or judicial proceeding involving a trademark licensed to you, or if such a proceeding is resolved unfavorably to you, we will participate in your defense and/or indemnify you for expenses or damages only as and to the extent expressly stated in the Franchise Agreement.

We are not obligated to reimburse you for costs incurred in changing or updating the Marks or related brand assets. Your rights in the Marks are derived solely from the Franchise Agreement and are non-exclusive, limited, revocable as stated in the agreement, and subject to our continuing control over the system and brand.

Your right to use the Marks exists only so long as you are operating the franchise in compliance with the Franchise Agreement and our standards. If the Franchise Agreement expires, is terminated, or is transferred, your right to use the Marks will end. After that time, you must immediately stop using the Marks and any colorable imitation of them in signage, advertising, digital assets, social media, listings, business records, and any other manner.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Our franchise system may include proprietary software, curriculum content, training materials, manuals, learning workflows, assessment tools, business methods, confidential information, trade secrets, and other intellectual property.

We own one issued U.S. patent that is material to the franchise system. The patent covers the core adaptive learning technology embedded in the Smart Learning Tablets that franchisees will sell or license to parents for use by students, including machine-learning-based methods used in our proprietary learning platform that franchisees and their students access and use to deliver instruction, assessments, and personalized learning paths at and through the Center. The following sets forth the required information regarding this patent:

Patent Number: U.S. Patent No. 12,260,638

Title: Adaptive Learning Systems Utilizing Machine Learning Techniques

Type of Patent: Utility (process) patent

Issue Date: March 4, 2025

Duration / Expiration: The patent has an estimated expiration date of December 31, 2040, subject to timely payment of statutory maintenance fees

Owner: Squirrel Ai Learning Inc

There are no currently effective agreements that significantly limit our rights to use or license the use of this patent in a manner material to the franchise.

All copyrights related to the franchise system, including user interface design, software code, branding elements, and marketing materials, are owned by Squirrel Ai Learning Inc or are legally licensed to us under written intellectual property agreements. We hold rights to use, display, and enforce these copyrights in connection with our U.S. business operations. These copyrights are material to the franchise because they encompass the proprietary learning platform, curriculum content, and branded materials that franchisees use in operating their Centers. We have not registered our copyrights with the U.S. Copyright Office. Copyrights owned by us generally have a duration of the author's life plus 70 years, or 95 years from publication for works made for hire. We do not currently hold registrations requiring renewal. There are no currently effective agreements that significantly limit our rights to use or license the use of the copyright listed in this Item in a manner material to the franchise.

We also hold rights to use, modify, operate, and distribute the proprietary learning system, software platform, and AI-enabled tools used in the U.S. franchise business, and we may grant franchisees a non-exclusive right to access and use those systems within the licensed franchise system. Our curriculum and instructional materials are created or organized by our content team, with AI tools used only to assist and optimize content development. Our franchise system also includes confidential manuals, learning workflows, trade secrets, and other proprietary information protected by contract and system standards.

You may use our proprietary information only as authorized by the Franchise Agreement and Operations Manual. You must protect it from unauthorized disclosure and return confidential materials upon termination or expiration.

You may use our copyrighted materials, software, manuals, curriculum elements, digital content, and other proprietary materials only for the operation of your franchised business, only for authorized users, and only while the Franchise Agreement remains in effect. You may not copy, reverse engineer, adapt, distribute, republish, scrape, or otherwise exploit these materials except as expressly authorized by us.

We intend to protect our proprietary rights and may, but are not obligated to, take action against infringement, misappropriation, or unauthorized disclosure. You must promptly notify us of any suspected infringement, misuse, security incident, or unauthorized disclosure involving our proprietary information and cooperate with us in responding to the matter. If we are notified of infringement, the Franchise Agreement does not require us to take affirmative action in every instance, but we may take such action as we deem appropriate in our sole discretion. We have the right to control any litigation or proceeding involving patents or copyrights licensed to you. If you are a party to a proceeding involving a patent or copyright licensed to you, we will participate in your defense and/or indemnify you for expenses or damages only as and to the extent expressly stated in the Franchise Agreement. Our obligation to protect or defend is not contingent upon your modifying or discontinuing use of the subject matter covered by the patent or copyright. If we require you to modify or discontinue use of any subject matter covered by a patent or copyright, you must comply within the time we specify, and we will designate a replacement or alternative for your use; you will not be entitled to compensation for any resulting costs or losses except as expressly stated in the Franchise Agreement.

There are no current material determinations of the United States Patent and Trademark Office, the United States Copyright Office, or any court regarding any patent or copyright material to the franchise. There are no material proceedings pending in the United States Patent and Trademark Office or any court involving our patents or copyrights. We are not aware of any patent or copyright infringement that could materially affect your use of our licensed intellectual property.

Confidential information means all non-public information relating to the System, including manuals, software logic, product roadmaps, pricing methods, student workflow design, center operations, brand standards, vendor information, training materials, reports, algorithms, data structures, business methods, Student Information, and all other proprietary know-how that we or our affiliates provide or make available. This proprietary information is communicated to you through our Operations Manual, training programs, restricted-access software platforms, and other confidential channels. You may use this proprietary information only in connection with the operation of your franchised business, only during the term of the Franchise Agreement, and only as expressly authorized by the Franchise Agreement. During and after the term of the Franchise Agreement, you may not disclose or use confidential information except as expressly authorized by the Franchise Agreement.

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

For the first year of operation, if you are an individual, you must personally manage and supervise the Center and devote your full time to the operation of the Center. Beginning in the second year, the franchisee may appoint a Center director or manager (the "Designated Manager") who meets our standards and successfully completes required training to manage and supervise the Center, provided the franchisee remains responsible for the operation of the Center. If you are a corporation, a limited liability company or other entity, you must appoint a Designated Manager to manage and supervise the Center. We do not require the Designated Manager to have an equity interest in the franchisee's business. Any change of the Designated Manager must be approved by us in advance. We will require the franchisee, the Designated Manager, and other key personnel to attend initial and ongoing training programs.

The Designated Manager must personally manage and supervise the Center and devote his or her full time to the operation of the Center. We may require the Designated Manager to execute other agreements to comply with the personal involvement and time devotion requirements.

If you operate through a business entity, your direct and indirect owners must personally guarantee your obligations under the Franchise Agreement and must agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. Our current form of guaranty is attached as Attachment 6 to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell at your Center the products, or services that we specify from time to time. You may offer and sell such approved products, or services only in the manner and at the locations we have prescribed and may not offer or sell any products, or services through alternative channels of distribution (including, the internet or retail stores) without our approval. You may not offer or sell products, or services we have not approved at any location. If we at any time disapprove a product, or service, you must immediately discontinue offering or selling it at your Center. As our System evolves, we may authorize one or more Centers to offer additional, different, or modified products, or services, and we are under no obligation to authorize every Center to offer the same products, or services. We may condition our approval for any such products, or services on our then-current criteria, and/or additional terms and conditions that we establish.

If we at any time (including after our initial approval) determine that you fail to meet our System Standards for offering or selling any products or services, we may permanently or temporarily terminate your right to offer or sell such products, or services (and without waiving our right to terminate your Franchise Agreement for a default).

We may periodically set a maximum or minimum price that you may charge for products and services offered by your Center. If we impose a maximum price for any product or service, you may not charge more for the product or service than the maximum price we impose. If we impose a minimum price for any product or service, you may not charge less for such product or service than the minimum price we impose. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for it.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	The initial term is 5 years, subject to earlier termination under the Franchise Agreement.
b. Renewal or extension of the term	Section 3.2	If you satisfy our renewal conditions, you may renew for one additional 5-year term, by giving written notice not less than 180 and not more than 270 days before expiration of the initial term.
c. Requirements for franchisee to renew or extend	Sections 3.3, 3.4	Renewal requires good standing, compliance with system standards and required upgrades, execution of our then-current Franchise Agreement, signing of a general release, payment of the renewal fee of $9,000, and satisfaction of any other reasonable renewal conditions, including background checks. If renewal conditions are not yet satisfied at

Provision	Section in Franchise Agreement	Summary
		expiration, Franchisor may, in its sole discretion, permit month-to-month operation under the existing terms.
d. Termination by franchisee	Section 17.5	You may terminate by giving (i) 60 days' advance written notice if unwilling to pay an increase in royalty or marketing fund contribution, or (ii) 270 days' advance written notice for any other reason.
e. Termination by franchisor without cause	N/A	The Agreement contains no provision permitting us to terminate without cause.
f. Termination by franchisor with cause	Sections 17.1 through 17.4	See Subitem g. and h. below.
g. "Cause" defined—curable defaults	Sections 17.1, 17.2	Monetary defaults are curable within 10 days after written notice. Except for the non-curable defaults described in (h) below, non-monetary defaults have a 30 day cure period.
h. "Cause" defined—non-curable defaults	Section 17.2	Immediate termination without opportunity to cure for: abandonment or failure to open within six months; failure to obtain site approval within 60 days; unauthorized Transfer or disclosure of Confidential Information; material misuse of Marks or System; conduct creating an immediate threat to student safety, data security, or brand integrity; charges, conviction, or no-contest plea to a felony, crime of moral turpitude, or any crime against children, or conduct materially impairing operations or reputation; repeated defaults (whether or not previously cured); unauthorized relocation; appointment of a receiver/trustee or levy/attachment of the Center; and material misrepresentations or omissions in connection with the franchise.
i. Franchisee's obligations on termination/non-renewal	Sections 17.6, 18	Pay all amounts due, including liquidated damages. Cease using the Marks, System, Manuals, Confidential Information, software, accounts, and proprietary materials; return or destroy Manuals and Confidential Information and certify compliance; assign or transfer to us (at our

Provision	Section in Franchise Agreement	Summary
		option) the Online Presence, phone numbers, websites, domain names, social media accounts, listings, student records, business records, and email addresses; de-identify the Approved Location and notify students, parents, and the landlord that you are no longer a franchisee; and reimburse our costs if we must enter the Approved Location to protect the Marks or transition System assets.
j. Assignment of contract by franchisor	Section 20.1	We may transfer the Franchise Agreement or any of its rights or obligations without your consent, and no such transfer relieves you of your obligations.
k. “Transfer” by franchisee—defined	Section 1	"Transfer" means any direct or indirect sale, assignment, transfer, gift, pledge, encumbrance, merger, change of control, issuance of equity, or other disposition of any interest in the Franchise Agreement, the Center, or you.
l. Franchisor approval of transfer by franchisee	Sections 16.1 and 16.4	Our prior written consent is required for all Transfers. Any attempted Transfer without consent is void and constitutes a material default.
m. Conditions for franchisor approval of transfer	Sections 16.2, 16.3	Conditions include cure of all defaults; payment of all amounts owed; payment of the $8,000 transfer fee and related costs; execution of our then-current franchise agreement and payment of the applicable initial franchise fee by transferee; completion of training by the transferee and its Designated Manager; execution of a general release by you and your owners (if applicable); execution of a Personal Guaranty and a Confidentiality and Non-Competition Agreement by the transferee's owners; and compliance with then-current transfer standards.
n. Franchisor's right of first refusal to acquire franchisee's business	N/A	The Agreement contains no right of first refusal in favor of Franchisor.
o. Franchisor's option to purchase franchisee's business	N/A	The Agreement contains no purchase option in favor of Franchisor; however, Franchisor has step-in rights to assume interim operation of the Center

Provision	Section in Franchise Agreement	Summary
		under Section 13.6.
p. Death or disability of franchisee	Section 16.5	In the event of your (or your owner's) death, permanent incapacity, or bankruptcy (or a principal owner), the executor, administrator, or bankruptcy trustee must apply in writing for an approved Transfer of the Center within 30 days. We have the right (but not the obligation) to assume interim operation of the Center during the transition, subject to a 10% management fee. If a Transfer is not approved or completed within 6 months, we may terminate the Franchise Agreement.
q. Non-competition covenant during the term of the franchise	Section 19.1	During the Term, you, your owners and your immediate family members, may not, without our prior consent, directly or indirectly own, operate, manage, advise, assist, finance, be employed by, or have any interest in any education, tutoring, learning center, adaptive learning, or AI-enabled student support business, except for passive ownership of less than 2% of a publicly traded company.
r. Non-competition covenant after the franchise is terminated or expires	Sections 19.2, 19.3, 19.5	For 2 years after expiration, termination, or Transfer, you, your owners and your immediate family members, may not engage in any education, tutoring, learning center, adaptive learning, or AI-enabled student support business within the Restricted Area (10 miles of the Approved Location and any other Squirrel Ai center). An exception applies for employment as a teacher in a public, private, or chartered school licensed to operate under state or municipal authority.
s. Modification of the agreement	Section 22.3	The Agreement may be amended only in a signed writing by both parties, except that we may revise the Operations Manual unilaterally.
t. Integration/merger clause	Section 22.2	The Franchise Agreement and its attachments contain the entire agreement between the parties concerning the franchise relationship and supersede prior discussions and understandings.
u. Dispute resolution by arbitration or	Sections 21.3	All controversies, disputes or claims between us must be submitted for binding arbitration to the

Provision	Section in Franchise Agreement	Summary
mediation		American Arbitration Association on demand of either party. We and you must arbitrate all disputes at a location in or within 50 miles of our then-principal place of business (currently, Bellevue, Washington) (subject to state law, if applicable).
v. Choice of forum	Section 21.2	Any litigation not required to be arbitrated must be brought in state or federal court in Bellevue, Washington, subject to applicable law.
w. Choice of Law	Section 21.1	Except to the extent superseded by federal law or non-waivable state franchise law, the Franchise Agreement is governed by the laws of the State of Delaware, without reference to its conflicts of law principles.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Joleen Liang, 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004, and +17815021261, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2023 to 2025 [1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total	**2023**	**0**	**0**	**0**
	2024	**0**	**0**	**0**
	2025	**0**	**0**	**0**

1. Each year is as of December 31 for each Table under this Item 20.

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2023 to 2025

State	Year	Number of Transfers
Totals	**2023**	**0**
	2024	**0**
	2025	**0**

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Total	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Totals	**2023**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**

TABLE NO. 5
PROJECTED OPENINGS FOR 2026

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Openings	Projected New Company-Owned Openings
California	0	3	0
Georgia	0	3	0
Illinois	0	3	0
Texas	0	5	0
Florida	0	3	0
Total	**0**	**17**	**0**

***

Exhibit E contains a list of the names, addresses and telephone numbers of our current franchisees in as of December 31, 2025 and a list of the names and last known address and telephone number of each franchisee who had a Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

Within the last three years, no franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

We are not aware of any franchisee organizations associated with our franchise system.

ITEM 21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit C is our: (i) unaudited interim balance sheet as of May 31, 2026, and profit and loss statement for the period then-ended; and (ii) the audited financial statements for the fiscal years ended December 31, 2025, 2024 and 2023. These financial statements include balance sheets for the fiscal years ended December 31, 2025, 2024 and 2023, and statements of operations, stockholders' equity, and cash flows for the fiscal years ended December 31, 2025, 2024, and 2023. Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

Exhibit D – Franchise Agreement

Attachment 1 – Approved Location

Attachment 2 – General Release

Attachment 3 – EFT / ACH Authorization

Attachment 4 – Confidentiality and Non-Competition Agreement

Attachment 5 – Schedule of Owners, Principals, and Managers

Attachment 6 – Personal Guaranty

Exhibit F – Representations Statement

Exhibit G – State Addenda

ITEM 23. RECEIPTS

Two copies of the Receipt of Franchise Disclosure Document are attached as Exhibit H of this Disclosure Document. Please sign both copies and return one copy to us and retain the other copy for your records.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Financial Protection & Innovation:
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7500

Sacramento

651 Bannon Street, Suite 300
Sacramento, California 95811
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

GEORGIA

Corporations Division
2 Martin Luther King Jr. Dr., Suite 315
Atlanta, GA 30334-1530
404-656-2817

HAWAII

Commissioner of Securities
State of Hawaii, Dept. of Commerce & Consumer Affairs
Business Registration Division - Securities Compliance Branch
335 Merchant St. Room 203
Honolulu, Hawaii 96813
(844) 808-3222

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62701
(217) 782-4465

INDIANA

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

LOUISIANA

State of Louisiana
Secretary of State
8585 Archives Ave
Baton Rouge, LA 70809
225-925-4704

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6300

MICHIGAN

Michigan Attorney General's Office
Corporate Oversight Division
Attn: Franchise Section
G. Mennen Williams Building, 5th Floor
525 West Ottawa Street
Lansing, Michigan 48913
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

New York State Department of Law Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222 Phone
(212) 416-6042 Fax

(agent for service of process)

Attention: Secretary of State of New York
99 Washington Avenue
Albany, NY 12231-0001
(518) 473-2492

NORTH CAROLINA

North Carolina Secretary of State
2 South Salisbury Street
Raleigh, North Carolina 27601-2903
(919) 814-5344

NORTH DAKOTA

North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

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

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(state administrator)

Washington Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

(agent for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

EXHIBIT B

TABLE OF CONTENTS OF THE OPERATIONS MANUAL

TABLE OF CONTENTS OF THE OPERATIONS MANUAL

EXHIBIT C

FINANCIAL STATEMENTS

UNAUDITED FINANCIALS

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Squirrel AI Learning Inc

Balance Sheet

As of May 31, 2026

	TOTAL
ASSETS	
Current Assets	$5,359,197.87
Fixed Assets	$18,582.15
Other Assets	$12,765.00
TOTAL ASSETS	**$5,390,545.02**
LIABILITIES AND EQUITY	
Liabilities	$102,740.46
Equity	$5,287,804.56
TOTAL LIABILITIES AND EQUITY	**$5,390,545.02**

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Squirrel AI Learning Inc

Profit and Loss

January - May, 2026

	TOTAL
Income	
Total Income	
Cost of Goods Sold	**$836,369.81**
GROSS PROFIT	**$ -836,369.81**
Expenses	**$1,275,276.43**
NET OPERATING INCOME	**$ -2,111,646.24**
Other Income	**$1,484.37**
Other Expenses	**$4,938.10**
NET OTHER INCOME	**$ -3,453.73**
NET INCOME	**$ -2,115,099.97**

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

AUDITED FINANCIALS

SQUIRREL AI LEARNING INC

Financial Statements

December 31, 2025, 2024 and 2023

BWX & Company Certified Public Accountants
3230 E Imperial Hwy Ste 205, Brea, CA 92821
Phone: (626) 857-6660 · Fax: (951) 254-9457 · E-mail: gloriawu@bwxcpa.com

SQUIRREL AI LEARNING INC

Financial Statements
December 31, 2025, 2024 and 2023

Contents	Page(s)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Squirrel AI Learning Inc

Opinion

We have audited the accompanying financial statements of Squirrel AI Learning Inc (the "Company"), which comprise the balance sheets as of December 31, 2025, 2024 and 2023, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, 2024 and 2023, and the result of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

BWX & Company

Brea, California
June 8, 2026

SQUIRREL AI LEARNING INC
BALANCE SHEETS
AS OF DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
ASSETS			
Current Assets			
Cash	$ 657,316	$ 4,484,688	$ 7,052,476
Prepaid expenses	577	6,076	-
Deposit	-	-	12,765
Total Current Assets	657,893	4,490,764	7,065,241
Fixed assets, net	23,520	30,724	4,161
Operating lease right-of-use asset	193,951	274,440	-
Deposit, non current	12,765	12,765	-
Deferred tax assets, net	-	-	-
Total Assets	$ 888,129	$ 4,808,693	$ 7,069,402
LIABILITIES AND STOCKHOLDER'S EQUITIES			
Current Liabilities			
Accrued liabilities	$ 8,188	$ 9,136	$ 5,687
Loan payable	-	-	100,000
Lease liabilities, current portion	97,314	177,038	-
Total Current Liabilities	105,502	186,174	105,687
Non-Current Liabilities			
Lease liabilities, non current portion	79,724	93,397	-
Total Liabilities	185,226	279,571	105,687
Stockholder's Equity			
Common stock, par vaule $0.01 per share, 1,000 share authorized; 1,000 shares issued and outstanding as of December 31, 2025, 2024, and 2023, respectively	10	10	10
Additiona paid-in capital	22,064,722	22,064,722	19,064,947
Accumulated deficit	(21,361,829)	(17,535,610)	(12,101,242)
Total Stockholder's Equity	702,903	4,529,122	6,963,715
Total Liabilities and Stockholder's Equity	$ 888,129	$ 4,808,693	$ 7,069,402

SQUIRREL AI LEARNING INC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Revenue	$ -	$ -	$ -
Operating Expenses			
Selling expense	508,288	374,490	3,000
Research and development expense	2,951,870	4,204,868	356,382
General and administrative expense	431,807	1,017,309	152,619
Total Operating Expenses	3,891,965	5,596,667	512,001
Other income (Expense)			
Interest income	66,546	161,949	-
Other income	-	400	-
Total Other Income	66,546	162,349	-
Loss before income tax	(3,825,419)	(5,434,318)	(512,001)
Income tax	800	50	-
Net Loss	$ (3,826,219)	$ (5,434,368)	$ (512,001)

SQUIRREL AI LEARNING INC
STATEMENTS OF STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	Common Stock		Additional Paid-in	Accumulated	Accumulated
	Shares	**Amount**	**Capital**	**Deficit**	**Deficit**
Balance - December 31, 2022	1,000	$ 10	$ 11,616,502	$ (11,589,241)	$ 27,271
Capital contribution	-	-	7,448,445	-	7,448,445
Net loss	-	-	-	(512,001)	(512,001)
Balance - December 31, 2023	1,000	$ 10	$ 19,064,947	$ (12,101,242)	$ 6,963,715
Capital contribution	-	-	2,999,775	-	2,999,775
Net loss	-	-	-	(5,434,368)	(5,434,368)
Balance - December 31, 2024	1,000	$ 10	$ 22,064,722	$ (17,535,610)	$ 4,529,122
Net loss	-	-	-	(3,826,219)	(3,826,219)
Balance - December 31, 2025	1,000	$ 10	$ 22,064,722	$ (21,361,829)	$ 702,903

SQUIRREL AI LEARNING INC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Cash flows from operating activities:			
Net Loss	$ (3,826,219)	$ (5,434,368)	$ (512,001)
Adjustments to reconcilie net loss to net cash from operating activities:			
Depreciation expense	7,204	5,191	103
Changes in operating assets and liabilities:			
Prepaid expenses	5,499	(6,076)	5,830
Operating lease right-of-use asset	80,490	(274,440)	-
Deposit	-	-	9,735
Accrued liabilities	(949)	3,449	4,029
Lease liabilities	(93,397)	270,435	-
Net cash flows used in operating activities	(3,827,372)	(5,435,809)	(492,304)
Cash flows from investing activities:			
Purchase of property and equipment	-	(31,754)	(4,264)
Net cash flows used in investing activities	-	(31,754)	(4,264)
Cash flows from financing activities:			
Capital contribution	-	2,999,775	7,448,445
Proceeds from related party loan	-	-	100,000
Repayment on related party loan	-	(100,000)	-
Net cash flows provided by financing activities	-	2,899,775	7,548,445
Net change in cash	(3,827,372)	(2,567,788)	7,051,877
Cash - beginning of year	4,484,688	7,052,476	599
Cash - end of year	$ 657,316	$ 4,484,688	$ 7,052,476
Supplemental disclosue of cash flows			
Cash paid during the year for:			
Income tax	$ 800	$ 50	$ -
Interest expense	$ -	$ -	$ -

SQUIRREL AI LEARNING INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

NOTE 1 — NATURE OF OPERATIONS

Squirrel Ai Learning Inc. (the "Company") was incorporated under the laws of the State of Delaware on December 12, 2017, and is wholly owned by AI Education Inc., a company incorporated in the Cayman Islands. On March 11, 2024, the Company formally changed its name from Yixue Education Inc. to Squirrel Ai Learning Inc.

The Company conducts business under its corporate name and the "Squirrel Ai Learning" brand. It offers franchises for the operation of education centers that utilize its proprietary learning system, curriculum, software tools, operating methods, student management processes, and brand standards. The Company develops, licenses, supports, and operates AI-enabled supplemental education systems, self-study learning center models, curriculum, software tools, student management processes, educational devices, and related services.

NOTE2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Company is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with Generally Accepted Accounting Principle ("GAAP") in the United States of America.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash includes amounts on hand, and amounts on deposit at financial institutions. The Company defines cash equivalents as short-term, liquid investments with initial maturity of three months or less. Renewals are generally renewed at the same term. The Company maintains its cash accounts at major financial institutions that are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times, cash balance may be in excess of the amounts insured by the FDIC. As of December 31, 2025, 2024 and 2023, the Company have bank balance amount of $397,384, $4,234,656, and $6,802,476, respectively, over FDIC insured amount. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fixed Assets

Fixed assets consist of equipment recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which are generally five years. Expenditures for maintenance and repairs are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income.

Leases

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an assets.

The Company recognizes most lease on its balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance lease or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the consolidation income statement.

The Company made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease or January 1, 2022, for existing leases upon the adoption of Account Standards Codification (ASC) Topic 842, Leases. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for lease existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Impairment of Long-lived Assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances have indicated that an asset may not be recoverable and are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities (asset group). If the sum of the projected undiscounted cash flows (excluding interest charges) of an asset group is less than its carrying value and the fair value of an asset group is also less than its carrying value, the assets will be written down by the amount by which the carrying value of the asset group exceeded its fair value. However, the carrying amount of a finite-lived intangible asset can never be written down below its fair value. Any loss would be recognized in income from continuing operations in the period in which the determination is made. Management determined that no impairment of long-lived assets existed as of December 31, 2025, 2024 and 2023.

Revenue Recognition

In May 2014, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" (Topic 606) ("ASU 2014-09"), which amends the accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when products are transferred to a customer. Topic 606 requires the Company to recognize revenues when control of the promised goods or services and receipt of payment is probable. The Company recognizes revenue based on the five criteria for revenue recognition established under Topic 606:

1) Identify the contract,
2) Identify separate performance obligations,
3) Determine the transaction price,
4) Allocate the transaction price among the performance obligations, and
5) Recognize revenue as the performance obligations are satisfied.

Franchise Fee Revenue

The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial fee prior to opening the respective location(s). Each franchised office operates under a separate franchise agreement. The adoption of ASC 606 has no impact on the Company's revenue recognition of franchise fees, or the financial statement or the footnote disclosure.

Royalty Fees

Continuing royalty fees are recognized as revenue when earned. The Company accrues royalty fees based on 10% of monthly gross receipts, plus a fixed fee of $650. Royalty fee revenue is recognized during the term of the respective franchise agreement as the underlying franchise learning center's sales occur. The adoption of ASC 606 did not change the timing of royalty revenue recognition, and the new guidance did not have a material impact on the recognition of royalty fee revenue.

Marketing Fund

Continuing marketing fund fees are recognized as revenue when earned. The Company accrues marketing fund fees at 2% of monthly gross receipts, beginning six months after the opening of a franchise learning center. Marketing fund revenue is recognized during the term of the respective franchise agreement as the underlying franchise learning center's sales occur. The adoption of ASC

606 did not change the timing of marketing fund revenue recognition, and the new guidance did not have a material impact on the recognition of such revenue.

Research and Development Expense

The Company's efforts are focused on improving the Squirrel AI Learning platform for student use across all of its learning solutions. The Company's development teams deploy incremental enhancements to the platform to improve learning models through its AI-enabled supplemental education systems. The Company utilizes a continuous delivery process supported by Agile software development methodologies and a proprietary quality assurance process.

In accordance with ASC 985-20, Costs of Software to Be Sold, Leased, or Marketed, the Company expenses software development costs as research and development until technological feasibility has been established. Technological feasibility is established when the Company has completed all planning, design, coding, and testing activities necessary to demonstrate that the product can be produced to meet its design specifications, including functional, feature, and performance requirements. Costs incurred prior to the establishment of technological feasibility are expensed as research and development costs. Since the Company did not achieve technological feasibility until April 2026, all related costs incurred prior to that date were expensed as research and development expenses. The Company recognized research and development expense of $2,951,870, $4,204,868, and $356,382 for the year ended December 31, 2025, 2024, and 2023, respectively.

Income Taxes

The Company accounts for income taxes under FASB ASC 740, *Income Taxes*, which requires an asset and liability approach in accounting for income taxes payable or refundable at the date of the financial statements as a result of all events that have been recognized in the financial statements and as measured by the provisions of enacted laws. ASC 740 requires that deferred tax assets be evaluated, and a valuation allowance be established if it is "more likely than not" that all or a portion of the deferred tax assets will not be realized.

Additionally, ASC 740 establishes the criterion that an individual tax position has to meet for some or all of the tax benefits of that position to be recognized in the Company's financial statements. ASC740 applies to all tax positions for which the statute of limitations remains open. Only tax positions that meet the more-likely-than-not recognition threshold at the adoption date have been recognized or continue to be recognized. The Company's income tax filings are subject to examination by the appropriate tax jurisdictions.

The Company believes that it has adequate support for the income tax positions taken and that its accrual for tax liabilities is sufficient for all open tax years, based on an assessment of various factors, including experience and the interpretation of tax laws as applied to the facts and circumstances of each matter. The Company is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in its tax returns. Management has determined that the Company does not have any uncertain tax positions or associated unrecognized tax benefits that would materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by taxing authorities or that the Company will not be subject to additional taxes, penalties, and interest as a result of such challenges.

NOTE 3 — FIXED ASSETS, NET

At December 31, 2025, 2024 and 2023, fixed assets consisted of the following:

	2025	2024	2023
Equipment	$ 36,018	$ 36,018	$ 4,264
Less accumulated depreciation	(12,498)	(5,294)	(103)
Fixed assets, net	$ 23,520	$ 30,724	$ 4,161

The Company has depreciation expense amount of $7,204, $5,191 and $103 during the year ended December 31, 2025, 2024 and 2023, respectively.

NOTE 4 — LEASE

On July 1, 2024, the Company entered into a forty-five-month commercial lease agreement with a third party for office space. The lease commenced on July 1, 2024 and expires on March 31, 2028. The Company used the risk-free rate as the incremental borrowing rate for the lease, which was determined to be 4.16%. Lease expense is recognized on a straight-line basis over the term of the lease.

Operating lease right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. As of December 31, 2025, 2024 and 2023, operating lease right-of use assets and lease liabilities were as follows:

	2025	2024	2023
Operating lease right-of-use assets	$ 193,951	$ 274,440	$ -
Lease liabilities, current portion	$ 97,314	$ 177,038	$ -
Lease liabilities, non current portion	$ 79,724	$ 93,397	$ -

Lease term and discount rate:

	2025	2024	2023
Weighted average remaining lease term:			
Operating lease	2.25 years	3.25 years	-
Weighted average discount rate:			
Operating lease	4.16%	4.16%	-

The minimum future lease payments are as follows:

	Amount
Year ending December 31, 2026	$ 85,487
Year ending December 31, 2027	80,028
Year ending December 31, 2028	20,007
Total minimum lease payment	185,522
Less: imputed interest	(8,484)
Present value of future minimum lease payments	$ 177,038

The Company recorded its operating lease cost of $90,721, $91,609, and $16,353 for the years ended December 31, 2025, 2024, and 2023, respectively. This is included in general and administrative expenses.

NOTE 5 — PROVISION FOR INCOME TAXES

In 2017, the Tax Cuts and Jobs Act ("TCJA") amended Internal Revenue Code ("IRC") Section 174 to require Specified Research or Experimental expenditures ("SRE") to be capitalized and amortized over five years for research conducted within the United States. These provisions became effective for tax years beginning after December 31, 2021.

The income tax effects of each type of temporary difference and loss carryforward giving rise to the Company's deferred tax assets as of December 31, 2025, 2024 and 2023, are as follows:

Deferred tax assets:	**2025**	**2024**	**2023**
SRE – IRC section 174	$ 354,546	$ 106,793	$ 6,342
Net operating loss carryforward	2,886,040	2,723,945	2,124,332
Gross deferred tax assets	3,240,586	2,830,739	2,130,674
Less: valuation allowance	(3,240,586)	(2,830,739)	(2,130,674)
Total net deferred tax assets	$ -	$ -	$ -

Management of the Company periodically reviews the deferred tax assets for realizability and will recognize a valuation allowance if it is anticipated that some or all of the deferred tax assets may not be realized. Management believes that it is more likely than not that these deferred tax assets will be realized as a result of future taxable earnings or applied tax strategies. Accordingly, valuation allowance amounts of $3,352,776 and $2,797,487, and $2,130,674 have been recognized for these assets during the years ended December 31, 2025, 2024 and 2023, respectively.

NOTE 6 — SUBSEQUENT EVENTS

On January 5, 2026 and May 26, 2026, the Company's parent company made capital contributions of $4,000,000 and $2,700,000, respectively.

On April 10, 2026, the Company entered into a three-year strategic collaboration agreement with YMCA of Greater Whittier to commercialize the Company's AI-powered educational technology through YMCA programs. Under the agreement, the Company will provide approximately $30,000 for staffing expenses related to the AI learning efficacy study, as well as funding for tablets and rollout costs. In return, YMCA will provide two of its centers to serve as the Company's official program locations.

The Company has evaluated all other subsequent events through the date these financial statements were issued and determined that there were no other subsequent events or transactions that require recognition or disclosures in the consolidated financial statements.

EXHIBIT D

FRANCHISE AGREEMENT

SQUIRREL AI LEARNING INC

FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is entered into by and between Squirrel Ai Learning Inc, a Delaware corporation, with its principal business address at 800 Bellevue Way NE, Suite 500, Bellevue, Washington 98004 ("we," "us," or "our"), and

[[FRANCHISEE NAME]] ("you," or "your")

____ an individual, with mailing address at [_______]

____ a [state and entity type], with principal business address at [________]

as of the date signed by us on the signature page of the Agreement (the "Effective Date").

Recitals

A. We have developed a proprietary franchise system for technology-enabled self-study learning centers operating under the Squirrel Ai Learning brand and related marks (the "System").

B. You desire to operate one Squirrel Ai self-study learning center using the System, subject to the terms of this Agreement.

C. We are willing to grant you a franchise on the terms stated in this Agreement.

In consideration of the mutual promises stated below, the parties agree as follows:

1. Definitions

The following definitions apply in this Agreement:

"Approved Location" means the site approved by us for operation of the Center, as set forth on Attachment 1 attached hereto.

"Center" means the single franchised Squirrel Ai self-study learning center you are authorized to develop and operate under this Agreement.

"Confidential Information" means all non-public information relating to the System, including manuals, software logic, product roadmaps, pricing methods, student workflow design, center operations, brand standards, vendor information, training materials, reports, algorithms, data structures, business methods, Student Information, and all other proprietary know-how that we or our affiliates provide or make available.

"Gross Receipts" means all revenue and other consideration received by you in connection with the operation of your Center, including, without limitation, student tuition, registration and assessment fees, sales of required learning materials, and any other products or services provided in connection with the operation of the Center or promoted or sold under the Marks, without deducting any costs, expenses, salaries, commissions, or bonuses payable to employees or independent instructors. Gross Receipts excludes sales tax or other taxes collected by law and remitted to the government; refunds actually paid to customers; coupons, discounts, or promotions approved by us.

"Manuals" means the operations manuals, technology standards, training materials, compliance policies, privacy requirements, brand standards, marketing standards, and other written or digital guidance we issue from time to time for operation of the System.

"Marks" means the trademarks, service marks, trade dress or logos we authorize for use with the System, consisting solely of (i) SQUIRREL AI (U.S. Reg. No. 7482450, registered August 20, 2024, on the Principal Register) and (ii) the Squirrel logo (U.S. Reg. No. 7262469, registered January 2, 2024, on the Principal Register), together with any additional trademarks, service marks, logos, trade dress, slogans, or other commercial symbols that we may from time to time designate in writing for use with the System.

"Restricted Area" means the area within 10 miles of the Approved Location and any other Squirrel Ai self-study learning center franchised or owned by us.

"Student Information" means all information regarding students enrolled at your Center, such as names, addresses, email addresses and contact information for both students and their parents or guardians.

"System" means the distinctive business format, standards, specifications, methods, training, technology stack, learning platform, data analytics tools, approved products and services, brand identity, and related know-how we prescribe for Squirrel Ai self-study learning centers.

"System Standards" means the mandatory specifications, standards, operating procedures and rules that we periodically prescribe for operating Centers in general or your Center in particular.

"Term" means the initial term of this Agreement and any applicable renewal terms.

"Transfer" means any direct or indirect sale, assignment, transfer, gift, pledge, encumbrance, merger, change of control, issuance of equity, or other disposition of any interest in this Agreement, the Center, or you.

2. Grant of Franchise; Nature of Rights

2.1 Subject to the terms of this Agreement, we grant you the right during the Term to develop, own, and operate one Center at the Approved Location using the Marks and the System.

2.2 This Agreement grants rights for one Center only. You may not operate any additional center or use the Marks or the System for any other business unless we separately approve it in writing.

2.3 This Agreement does not create a fiduciary relationship. You are an independent contractor and are solely responsible for all obligations and liabilities arising from your business, including those pertaining to the employment of your employees (such as minimum wage, working conditions, federal and state withholding taxes, overtime compensation, child labor, and workers' compensation insurance laws). You agree to pay all applicable taxes and other fees due to any local, state, or federal government arising from the operation of your Center. You agree to hold us harmless from all claims and demands with respect to taxes that you owe arising from the operation of your Center.

3. Term; Renewal

3.1 The initial term of this Agreement is five (5) years beginning on the Effective Date, unless sooner terminated according to this Agreement.

3.2 If you satisfy all renewal conditions, you may renew for one additional term of five (5) years by giving us written notice not less than 180 days and not more than 270 days before the expiration of the initial term.

3.3 As conditions of renewal, you must:

1. not be in default under this Agreement, the Manuals, or any other agreement with us or our affiliates (including, without limitation, any monetary obligations owed to us);
2. have complied with the System and completed required upgrades, remodels, technology changes, and training;
3. sign our then-current form of franchise agreement and related documents, which may differ materially from this Agreement;
4. sign a general release in our then-current form (the current form is attached hereto as Attachment 2);
5. pay the renewal fee of $9,000, unless we approve a schedule of three (3) equal installments of $3,000 each; and
6. satisfy any other reasonable renewal conditions we then require (including, without limitation, satisfaction of our continued background check requirements).

3.4 If, upon the expiration of the initial term under Section 3.1, we have not offered you a new franchise agreement, or you have not yet satisfied all required conditions for renewal, we may, in its sole and absolute discretion, permit you to continue operating the Center under the terms and conditions of this Agreement on a temporary month-to-month basis. During any such month-to-month extension, all obligations, protective covenants, reporting requirements, and financial obligations of this Agreement shall remain in full force and effect. Either party may terminate such month-to-month extension, effective the last day of any calendar month, by providing at least thirty (30) days' prior written notice to the other party. The authorization of month-to-month operations does not constitute a waiver of our right to ultimately deny renewal. Any such holdover period will continue only until a new franchise agreement is signed or the month-to-month extension is otherwise terminated pursuant to this Section.

4. Site Selection; Approved Location; Territory

4.1 You may operate the Center only at the Approved Location. If the Approved Location has not been approved by us in writing as of the Effective Date, site selection will be subject to Section 4 of this Agreement and the Manuals, and we may revise Attachment 1 to identify the Approved Location once approved. If you have not yet identified a site for the Approved Location as of the Effective Date, you must obtain our written approval of a site for the Approved Location within 60 days after the Effective Date. We must approve the proposed site of your Center before you sign any lease, sublease, or other document to secure occupancy rights for the Center. You agree to send us all the information we require regarding the proposed site. We will make all determinations about whether to approve or disapprove a site based on our then-current criteria, which may change periodically. An Approved Location typically corresponds to a designated school or surrounding area with student population of approximately 2,000. You may not relocate the Center without our prior written consent.

4.2 You must open the Center for business within three (3) months after the Effective Date unless we approve a later date. We must approve the date that you open your Center for business.

4.3 You may not use or permit the use of the Approved Location for any other purpose or activity other than the operation of a Center at any time without first obtaining our written consent.

4.4 You do not have a protected territory or any other form of exclusivity.

We reserve all rights, including, without limitation, the following anywhere in the world:

1. offer online, hybrid, enterprise, school-based, district-based, institutional, and strategic-partnership programs;
2. sell products, software, content, subscriptions, learning accounts, devices, or services directly or indirectly;
3. serve national, regional, school, district, nonprofit, governmental, and enterprise accounts;
4. advertise, market, and generate leads through any channel;
5. establish, acquire, operate, or license alternative channels or formats; and
6. establish or license additional Squirrel Ai self-study learning centers.

5. Initial Training; Opening; Ongoing Training

5.1 We will provide initial training (as set forth in the Manuals) for up to two attendees designated by you, subject to our standards and schedules. Training may include online and in-person components and may occur in Los Angeles, California, remotely, or at another location we designate.

5.2 You are responsible for all wages, travel, lodging, meals, and personal expenses of your attendees.

5.3 You or your Designated Manager (if you are an entity) must satisfactorily complete required initial training before opening. We may terminate this Agreement if required attendees do not successfully complete the initial training to our satisfaction.

5.4 We may require supplemental, repeat, remedial, refresher, child-safety, privacy, data-security, AI-platform, operations, or compliance training at any time.

5.5 You must attend and cause your Designated Manager (as applicable) to attend all ongoing training, webinars, and system meetings we reasonably require.

6. Fees; Payment

6.1 Initial Franchise Fee. On signing this Agreement, you must pay us an initial franchise fee. The initial franchise fee will be $60,000 for the 1st Center developed by you or your affiliates, $40,000 for the 2nd Center developed by you or your affiliates, or $20,000 for the 3rd or subsequent Center developed by you or your affiliates.

6.2 Royalty Fee. You must pay a royalty fee equal to $650 per month plus ten percent (10%) of Gross Receipts generated in a calendar month. The royalty fee is currently payable monthly on or before the 10th day of the following calendar month. We may change royalty rates, due dates, or payment methods on at least sixty (60) days' advance written notice. If you are unwilling to pay an increased royalty, you may terminate this Agreement by giving us at least sixty (60) days' written notice.

6.3 Marketing Fund. Beginning six months after the opening date of your Center, you must pay us a marketing fund contribution equal to two percent (2%) of Gross Receipts. The marketing fund contribution is currently payable monthly on or before the 10th day of the following calendar month. We may change the marketing fund contribution rate, due dates, or payment methods upon at least sixty (60) days' advance written notice to you. If you are unwilling to pay an increased marketing fund contribution, you may terminate this Agreement by giving us at least sixty (60) days' written notice.

6.4 Local Marketing. In addition to the pre-opening advertising expenses set forth in Section 7.5 below, beginning in the third (3rd) full calendar month after the Center's opening, you must spend not less than $1,000 per month on local marketing for the Center, or any other amount we state in the Manuals if permitted by law. We may change the minimum local marketing spend, upon at least sixty (60) days' advance written notice to you up to $2,000 per month.

6.5 Audit Costs; Interest; Collection Costs. We reserve the right to audit your Center's books and records. If an audit discloses any underpayment or misrepresentation of Gross Receipts by you, you must immediately pay the deficiency, plus interest. You must also reimburse all audit costs if such audit discloses an underpayment exceeding 2% for any period. Overdue amounts bear interest at the lesser of 1.5% per month or the maximum rate permitted by law, plus all costs of collection, including attorneys' fees.

6.6 Payment Method. We may require payment by EFT, ACH, wire, online portal, card, or other method we designate. You must sign and maintain the EFT / ACH authorization attached as Attachment 3.

6.7 We may offset amounts you owe against any sums we owe you.

6.8 Supplier Evaluation Fee. If you wish to purchase any product, equipment, software, or service used at the Center from a supplier that is not on our then-current list of approved suppliers, you must submit a written request together with a non-refundable supplier evaluation fee of $1,000, along with samples, specifications, security and integration documentation, insurance certificates, pricing information, and any other materials we reasonably request. We will notify you in writing of our approval or disapproval within fifteen (15) days after receiving all requested information and materials.

6.9 Along with the payment under Sections 6.2 and 6.3, you must submit a complete and accurate report of your Gross Receipts for the prior calendar month in the format we designate.

7. Development; Opening Obligations

7.1 You must secure and build out the Approved Location according to our standards and approved plans.

7.2 You must obtain all permits, licenses, insurance, utilities, equipment, technology, furniture, signage, and approvals required to open and operate the Center.

7.3 You must complete all pre-opening tasks we specify, including staffing, training, installation, branding, testing, data-security setup, and opening-readiness requirements.

7.4 We may inspect the Center before opening and may delay opening until all deficiencies are cured.

7.5 Pre-Opening Advertising. During the two (2) calendar months immediately preceding the scheduled opening date of the Center, you must spend not less than $4,000 in the aggregate on pre-opening advertising and grand-opening promotion for the Center, in accordance with the standards, channels, and creative approvals we specify in the Manuals or otherwise in writing. This pre-opening advertising obligation is in addition to, and not in lieu of, your ongoing local marketing obligation under Section 6.4.

8. Operating Standards; Approved Products and Services

8.1 You must operate the Center strictly according to this Agreement and the Manuals.

8.2 The Center is a self-study learning center. Except as expressly authorized by us in writing, you may not provide live teaching, unapproved tutoring, or unapproved curriculum substitution.

8.3 You may offer only products and services that we approve. You must offer the required mix of assessments, learning programs, subscriptions, materials, orientations, parent support activities, and other offerings we designate.

8.4 You may not sell or offer unapproved third-party educational products, competing programs, or unrelated goods or services that, in our judgment, conflict with the System or create brand confusion.

8.5 We may modify approved offerings, required practices, refund rules, service protocols, and operational standards at any time.

8.6 Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by Centers. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

9. Technology; Data; Security

9.1 You are required to use and must use only the approved software, hardware, dashboards, tablets, accounts, connectivity, payment tools, security controls, and other technology we designate, as set forth in the Manuals.

9.2 You must purchase the learning tablets, learning accounts (subscription fee), and other designated technology products only from us or approved suppliers if we so require.

9.3 You must comply with all data privacy, information security, child safety, and record-handling requirements in the Manuals and applicable law, including COPPA, FERPA where applicable, state privacy laws, and any school, district, or enterprise requirements applicable to your business.

9.4 You may not input, disclose, export, scrape, copy, or use Confidential Information, student data, parent data, educational records, or System materials in or through any third-party AI tool, large language model, or other external system except as we expressly approve in writing.

9.5 We may access, monitor, maintain, update, suspend, or replace any required System component. You must promptly implement required software changes, patches, migrations, security measures, and reporting changes.

9.6 We may use aggregated and de-identified data generated through the System for analytics, benchmarking, product development, training, and other lawful business purposes.

9.7 Information Security. You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, billing and payment information, biometric or health data, and government-issued identification numbers ("Personal Information"). You may gain access to such Personal Information from us, our affiliates, our vendors, and/or your own operations. You acknowledge and agree that all Personal Information (other than Restricted Data, defined below) is our Confidential Information and is subject to the protections in Section 10.

During and after the Term, you (and if you are conducting business as an entity, each of your owners) agree to, and to cause your respective current and former employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes of practice issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist us with meeting our compliance obligations under all applicable laws, regulations, and orders relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other person to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach. We reserve the right to conduct a data security and privacy audit of any of your Center and your computer system at any time.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the "Restricted Data"): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your affiliates, or your Center; (b) such other Personal Information as we from time to time expressly designate as Restricted Data; and/or (c) any other Personal Information to which we do not have access. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes of practice issued by industry or regulatory agencies applicable to such Restricted Data.

9.8 We will assign you a Squirrel Ai Center domain name for the limited purpose of having a link to your basic Center information from our www.squirrelai.com website. This information will be displayed when potential customers try to find Squirrel Ai self-study learning center locations closest to them. We will own the rights to this domain name. You may not establish or maintain any domain or Internet site for your Center other than the one we have assigned to you.

We will assign you an email address that you must use for your franchised business. We will send customer interest leads only to this email address. We will own the rights to this email address. You must use this email address in accordance with the System and the Manuals. You acknowledge and agree that we will have unrestricted access to and sole ownership of all such email accounts, and all documents, content, data, materials, and messages shared from or by such accounts. We may deactivate any such email account or limit your or your users' access to such email account at any time.

Unless approved by us in writing, you may not establish, develop, maintain or authorize any domain name, website, email address, social media account, username, other online presence or presence on any electronic, virtual, or digital medium of any kind in connection with your franchised business ("Online Presence"), except in accordance with our guidelines set forth in writing. If we approve the use of any such Online Presence in the operation of your Center, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. We will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

9.9 We will have independent access to information generated and stored in your computer systems, including but not limited to student enrollment and performance data, financial and billing records, scheduling data, staffing information, operational metrics, and other data generated through the Squirrel Ai Learning platform and required reporting tools. We may access this information electronically at any time without notice to you for purposes of monitoring your compliance with System Standards, analyzing system performance, and improving the System. You agree that there are no contractual limitations on our right to access this information.

10. Manuals; Proprietary Rights; Confidentiality

10.1 We may issue and revise Manuals from time to time; the contents of the Manuals are incorporated by reference through this Agreement. You must comply with all Manuals as revised.

10.2 The Manuals and all Confidential Information (for clarity, including Student Information) remain our exclusive property. You acquire no ownership interest in them.

10.3 During and after the Term, you must keep Confidential Information strictly confidential and use it only for operating the Center according to this Agreement.

10.4 Each owner of an entity franchisee and each Designated Manager (defined below) must sign and deliver to us a Confidentiality and Non-Competition Agreement in our required form (current form is attached hereto as Attachment 4). You must restrict access to Confidential Information to persons who have a legitimate need to know and who have signed confidentiality agreements satisfactory to us. You shall remain responsible for any breach of confidentiality by your personnel.

10.5 All improvements, suggestions, local adaptations, data structures, templates, reports, workflows, content enhancements, or derivative materials relating to the System that you or your personnel develop will be owned by us to the fullest extent permitted by law, and you hereby assign them to us.

11. Marks; Brand Standards

11.1 We grant you a limited, non-exclusive, non-transferable license to use the Marks solely for operation of the Center during the Term and only as we authorize.

11.2 You may not use any Mark as part of your legal entity name, domain, social handle, or any other identifier except as we approve.

11.3 You must display and use the Marks only in the manner we prescribe in this Agreement and the Manuals.

11.4 We may modify brand standards, require new marks, discontinue old marks, and require you to implement related changes at your expense.

11.5 You must notify us promptly of any suspected infringement, misuse, challenge, or adverse claim concerning the Marks or the System.

11.6 We will protect your right to use the Marks and will protect you against claims of infringement or unfair competition arising out of your authorized use of the Marks. If we are notified of infringing uses or claims, we will take such action as we deem appropriate in our sole discretion. We have the right to control any administrative proceedings or litigation involving the Marks. If you are a party to an administrative or judicial proceeding involving the Marks, or if such a proceeding is resolved unfavorably to you, we will participate in your defense and/or indemnify you for expenses or damages, if you have timely notified us of the proceeding, and complied with our directions in responding to it and are otherwise in compliance with the terms and conditions of this Agreement.

12. Advertising; Local Marketing

12.1 You must use your best efforts to conduct local advertising and promotion as we require and obtain approval for materials and campaigns if we so require. You may not use any advertising or promotional materials unless they have been prepared or approved by us in advance. If you wish to develop your own advertising or marketing materials, you must submit them to us for approval before use. We will approve or disapprove proposed materials within fifteen (15) business days after receipt. Materials not approved within that period may not be used until expressly approved.

12.2 We will establish a marketing fund to administer certain advertising, marketing, and public relations programs for the Squirrel AI® system and brand and the promotion of Centers.

We will have exclusive control over all programs and services administered by the marketing fund, with sole discretion over the creative concepts, materials, and campaigns and their geographic market, media placement and allocation. The marketing fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any Online Presences or other software or applications; administering advertising and marketing campaigns; administering regional and multi regional marketing and advertising programs; using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the System, the brand, and/or Centers. We may also use the marketing fund to pay for the marketing fund's other administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the marketing fund, and any other expenses that we or our affiliates incur that are related to administering or directing the marketing fund and its programs. We may also elect to use (but will not have the obligation to use) the marketing fund to pay for or reimburse franchisees for so costs they may incur for promoting their Center and/or complying with updated branding guidelines. We may modify marketing fund programs, services, or expenditures at any time in our sole discretion.

The purpose of the marketing fund is to promote the Marks, the System, the brand, and Centers generally. As such, you acknowledge and agree that there is no guarantee that you or your Center will benefit from marketing fund expenditures directly or in proportion to your marketing fund contribution. You further acknowledge and agree that the results of any marketing and promotional programs are by their nature uncertain, and that neither we nor any of our affiliates or representatives has guaranteed the results of any marketing fund programs, services, or expenditures in any manner.

We will account for the marketing fund separately from our other funds. However, neither we nor any of our affiliates has any fiduciary obligation to you or any other person for administering the marketing fund or for any other reason. The marketing fund may spend in any fiscal year more or less than the total marketing fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of marketing fund collections and expenses and give you the statement on written request, within 120 days after the end of each fiscal year, but not less than 30 days' notice from you of such request. We may have the marketing fund audited annually, at the marketing fund's expense, by an independent chartered accountant. We may also administer the marketing fund through a separate entity whenever we deem appropriate, and such entity will have all of the rights and duties specified in this Section.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect marketing fund contributions at the marketing fund's expense. We may also forgive, waive, settle, and compromise all claims by or against the marketing fund in our sole discretion.

We may at any time, on 60 days' prior written notice to you, reduce or suspend marketing fund contributions and/or operations of the marketing fund for one or more periods of any length and terminate (and, if terminated, reinstate) the marketing fund and associated marketing fund contributions. If we terminate the marketing fund, we will spend the remaining balance of the monies in the marketing fund in accordance with this Section until such amounts are exhausted. We may elect to maintain multiple marketing funds or the administration thereof, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple marketing funds or the administration thereof, in each case provided that each such marketing fund will otherwise remain subject to this Section.

13. Ownership; Management; Staffing

13.1 If you are an individual, for the first year of operation, you must personally manage the Center unless we approve another structure in writing. Beginning in the second year, you may appoint a manager subject to our standards to manage and supervise the operation of the Center (a "Designated Manager"). If you are an entity, you must appoint a Designated Manager at the time of signing this Agreement. You or the Designated Manager (as applicable) must devote full time to the operation of the Center. Any change of the Designated Manager must be approved by us in advance. We do not require the Designated Manager to have an equity interest in the your business. In any case, you shall remain responsible for the operation of the Center.

13.2 You must employ and maintain qualified personnel as required by the Manuals, including learning supervisors, center management, and other staff we designate. You are the sole employer of your employees and exclusively responsible for all employment-law compliance, including recruiting, hiring, supervision, compensation, scheduling, discipline, and termination.

13.3 Staff are facilitators, coaches, learning supervisors, or data-analysis support personnel, not traditional subject-matter instructors, unless we expressly authorize otherwise.

13.4 We may require owners, managers, and staff to undergo background screening, training, certification, and recertification.

13.5 If Franchisee is an entity, you must sign and deliver a Schedule of Owners, Principals and Managers, in a form attached hereto as Attachment 5, and each of your owners must sign and deliver a Personal Guaranty, in a form attached hereto as Attachment 6, to us at the time of signing this Agreement.

13.6 Interim Operations and Emergency Step-In Rights. If you are absent from the Center without making prior adequate arrangements approved by us, or if you, your owners, or your employees are charged with a crime involving moral turpitude, crimes against children, or engage in conduct that we determine creates an immediate threat to student safety or an immediate threat of substantive damage to the brand or reputation of the System, we shall have the right, but not the obligation, to immediately assume interim operation of the Center. During any such interim operation period, you shall remain fully and solely liable for all accounts payable, lease obligations, payroll, and third-party contracts. We and you shall not be deemed partners or joint venturers by virtue of such assumption. For the duration of our interim operation, you shall pay us a management fee equal to ten percent (10%) of the Gross Receipts generated by the Center during such period, in addition to all standard royalty fees and marketing fund contributions required under this Agreement. We may cease interim operations at any time upon notice to you. Our exercise of its step-in rights does not cure your default, does not waive our right to terminate this Agreement, and does not relieve you of your obligation to indemnify us under Section 15.3 of this Agreement.

14. Records; Reports; Inspection; Audit

14.1 You must maintain complete and accurate books, records, student records, payroll records, tax records, marketing records, and other business data in the form we require.

14.2 You must submit reports, financial statements, student metrics, marketing reports, compliance reports, incident reports, and other information we require, in the format and on the schedule we designate in the Manuals.

14.3 Without limiting our electronic data access rights in Section 9.9, we and our representatives may inspect the Center, records, technology environment, and operations at any reasonable time.

14.4 You must keep records for at least seven (7) years post expiration or termination of this Agreement, or any longer period required by law or the Manuals.

15. Compliance with Laws; Insurance; Indemnification

15.1 You must operate the Center in compliance with all applicable laws, regulations, school-facing requirements, child safety rules, advertising rules, privacy laws, labor laws, accessibility requirements, and local licensing requirements.

15.2 You must obtain and maintain the insurance coverages we require in the Manuals, naming us and any other designated persons as additional insureds where we require.

15.3 You agree to indemnify, defend, and hold harmless us, our affiliates, and each of our and their respective affiliates, owners, directors, managers, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of: (i) the development and operation of your Center; (ii) the business you conduct under this Agreement; (iii) your breach of this Agreement; (iv) your employment practices, instituted by your employees or by others; and/or (v) the actions or omissions of you, your owners, or your and their respective representatives, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced.

Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

16. Transfers by You

16.1 You may not Transfer this Agreement, the Center, or any direct or indirect interest in you without our prior written consent. You must provide us with advance written notice of the proposed Transfer and a copy of all proposed contracts and other information concerning the Transfer that we may require.

16.2 As conditions of any Transfer, we may require, among other things:

1. cure of all defaults;
2. payment of all amounts owed to us;
3. payment of the transfer fee of $8,000 plus such amounts as is necessary to reimburse us for our reasonable out of pocket costs and expenses associated with the Transfer;
4. execution of our then-current franchise agreement by the transferee;
5. completion of training by the transferee and its Designated Manager;
6. execution of a general release in our then-current form (the current form is attached hereto as Attachment 2) by you and your owners;
7. execution of a Personal Guaranty and a Confidentiality and Non-Competition Agreement in our required form by the transferee's owners; and
8. compliance with our then-current transfer standards.

16.3 The transferee will pay a discounted initial franchise fee of $8,000.

16.4 Any attempted Transfer without our consent is void and constitutes a material default.

16.5 In the event of your death, permanent incapacity, or bankruptcy (or that of a principal owner), your executor, administrator, or bankruptcy trustee must apply to us in writing within thirty (30) days for an approved Transfer of the Center. During this transition period, we have the right, but not the obligation, to assume interim operation of the Center subject to the management fee and terms set forth in Section 13.6. If a Transfer is not approved or completed within 6 months, we may terminate this Agreement.

17. Default; Termination

17.1 We may give you ten (10) days' notice to cure monetary defaults. If you fail to cure such defaults within the foregoing period, we can terminate this Agreement immediately by written notice to you.

17.2 We may give you thirty (30) days' notice to cure non-monetary defaults. If you fail to cure such defaults within the foregoing period, we can terminate this Agreement immediately by written notice to you.

17.3 Notwithstanding Sections 17.1 and 17.2, we may terminate immediately upon written notice to you, without an opportunity to cure, for any of the following:

1. abandonment of the Center or failure to open the Center for business within six (6) months after the Effective Date or a longer period we approved;
2. failure to obtain our written approval of a site for the Approved Location within 60 days after the Effective Date, as required by Section 4.1;
3. unauthorized Transfer or disclosure of Confidential Information;
4. material misuse of the Marks or System;
5. conduct that creates an immediate threat to student safety, data security, or brand integrity;
6. you, your owner, or your employee being charged with, convicted of, pleading guilty to, or pleading no contest to a felony, a crime involving moral turpitude, or any crime against children under the age of eighteen, or conduct materially impairing the operation or reputation of the Center or our brand;
7. two or more defaults within a 12-month period (whether or not you cured the previous default);
8. unauthorized relocation of the Center;
9. a receiver or trustee is appointed to take charge of your business, or your interest in this Agreement or the Center is levied or attached; or
10. your material misrepresentations or omissions regarding the information and/or materials that you provided to us in connection with applying for the franchise or in executing or performing under this Agreement or any other agreement between you and us or our affiliates.

17.4 Upon your default, we may also exercise interim remedies, including suspension of support, technology access, marketing support, or approval rights, to the extent permitted by law and this Agreement.

17.5 Termination by You. You may terminate this Agreement if you provide us advance written notice no later than the time periods indicated below: (i) sixty (60) days if you are unwilling to pay any increase in royalty or marketing fund contribution as described Sections 6.2 and 6.3 of this Agreement, or (ii) two hundred seventy (270) days if for any other reason.

17.6 Liquidated Damages. If you terminate without cause (except pursuant to Section 6.2 or 6.3), or if we terminate pursuant to Sections 17.1, 17.2 or 17.3, you agree that it shall be difficult, if not impossible to calculate the damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of royalties, and that the marketing fund would have otherwise derived from your continued marketing fund contributions, through the remainder of the Term. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced, is an amount equal to the net present value of the royalties that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (a) 3 months following the date of termination, or (b) the scheduled expiration of the Term. For the purposes of this Section, royalties, will be calculated based on the average monthly Gross Receipts of your Center during the 3 full calendar months immediately preceding the last date of regular operations of your Center; provided, that if as of such date, your Center has not been operating for at least 3 months, royalties will be calculated based on the average monthly Gross Receipts of all Centers operating during our last fiscal year that have been operating more than 3 calendar months as of the last date of regular operations of your Center.

18. Post-Termination Obligations

18.1 Upon expiration, termination, or transfer, you must promptly make all payments due to us, and immediately cease using the Marks, System, Manuals, Confidential Information, software, accounts, and all other proprietary materials.

18.2 You must return or destroy all Manuals and Confidential Information as we direct and certify compliance in writing.

18.3 You must assign or transfer to us or our designee, at our option and to the extent permitted by law, all Online Presence, phone numbers, websites, domain names, social media accounts, listings, local pages, student records, business records, email addresses, and similar assets associated with the Center or the Marks.

18.4 You must de-identify the Approved Location and immediately notify all students, their parents, and your landlord that you no longer are a franchisee of us and cease holding yourself out as a franchisee of us or otherwise associated with us.

18.5 We may enter the Approved Location and take actions reasonably necessary to protect the Marks and transition System assets if you fail to comply, and you must reimburse our costs.

19. Restrictive Covenants

19.1 During the Term, you and each of your owners, and your and their respective immediate family members, may not, without our prior consent, directly or indirectly own, operate, manage, advise, assist, finance, be employed by, or have any interest in any in any education, tutoring, learning center, adaptive learning, or AI-enabled student support business, except passive ownership of less than 2% of a publicly traded company.

19.2 For two (2) years after expiration, termination, or Transfer of this Agreement, you and each of your owners, and your and their respective immediate family members, may not, without our prior consent, engage in any education, tutoring, learning center, adaptive learning, or AI-enabled student support business within the Restricted Area, to the fullest extent permitted by law. You agree that this restriction will not keep you from earning a livelihood, and you acknowledge that its purpose is to protect the goodwill of Squirrel Ai Learning brand and its other franchisees. It is not a violation of this section for you to accept employment as a teacher in a public school or a private or chartered school that is licensed to operate under state or municipal authority.

19.3 For two (2) years after expiration, termination, or Transfer of this Agreement, you may not solicit customers or franchisees of the System for a competing business.

19.4 If applicable law limits these covenants, they will be enforced only to the maximum extent allowed.

19.5 You may not attempt to circumvent the restrictions in Sections 19.1 through 19.3 by engaging in prohibited activity indirectly through any other person or entity.

20. Transfer by Franchisor

20.1 We may transfer this Agreement or any of our rights or obligations without your consent. No such transfer relieves you of your obligations.

21. Dispute Resolution; Governing Law

21.1 Governing Law. Except to the extent superseded by federal law or non-waivable state franchise law, this Agreement is governed by the laws of the State of Delaware, without reference to its conflicts of law principles.

21.2 Venue. Subject to applicable law, any litigation not required to be arbitrated must be brought in state or federal court in Bellevue, Washington, and each party consents to personal jurisdiction there.

21.3 Arbitration. All controversies, disputes, or claims between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any system standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor's or assign's, as applicable) then-current principal place of business (currently, Bellevue, Washington). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

In any arbitration proceeding, each party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any party.

ARBITRATION PROCEEDINGS WILL BE CONDUCTED ON AN INDIVIDUAL BASIS. NO ARBITRATION PROCEEDING MAY BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON BEHALF OF ANY PARTY BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

In any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

21.4 WAIVER OF JURY TRIAL; CLASS ACTIONS. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES TRIAL BY JURY, AND CLAIMS MUST BE BROUGHT ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A CLASS OR REPRESENTATIVE ACTION.

21.5 Injunctive Relief. Nothing in this Agreement, including the provisions of Section 21.4, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

21.6 WAIVER OF PUNITIVE DAMAGES. EXCEPT FOR YOUR INDEMNIFICATION OBLIGATIONS UNDER SECTION 15.3 AND PUNITIVE DAMAGES AVAILABLE UNDER FEDERAL LAW, EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR PUNITIVE, EXEMPLARY, OR MULTIPLE DAMAGES.

21.7 Limitations of Claims. You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. UNLESS PROHIBITED BY APPLICABLE LAW, EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE CENTER, OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our affiliates' members, managers, shareholders, directors, officers, employees, and agents shall neither be personally liable nor named as a party in any action between us or our affiliates and you or your owners.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

22. Miscellaneous

22.1 Notices. All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Manuals will be deemed to be delivered on the earlier of the date of actual delivery or one of the following: (i) at the time delivered by hand and/or otherwise actually received by the applicable recipient, (ii) at the time delivered via electronic transmission and, in the case of the royalty, marketing fund contributions, and other amounts due, at the time we actually receive electronic payment, or (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery. Notices must be sent to each party at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of the Approved Location.

22.2 Entire Agreement. This Agreement and its attachments contain the entire agreement between the parties concerning the franchise relationship and supersede prior discussions and understandings.

22.3 Amendments. This Agreement may be amended only in a signed writing by both parties, except that we may revise the Manuals unilaterally.

22.4 Severability. If any provision is unenforceable, the remaining provisions remain in effect, and any invalid provision will be modified to the minimum extent necessary to make it enforceable where possible.

22.5 Waiver. No waiver is effective unless in writing. No waiver of one breach is a waiver of any other breach.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.

22.6 Counterparts; Electronic Signatures. This Agreement may be signed in counterparts and by electronic signature, each of which is deemed an original.

22.7 Survival. All provisions that by their nature should survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including payment obligations, confidentiality, indemnification, dispute resolution, post-term obligations, and restrictive covenants.

22.8 Binding Effect. This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest.

22.9 State-Specific Addenda. If a state-specific addendum applies, it controls over inconsistent provisions of this Agreement to the extent required by law.

THIS AGREEMENT IMPOSES IMPORTANT LEGAL OBLIGATIONS ON YOU. WE THEREFORE STRONGLY ADVISE YOU TO OBTAIN COMPETENT, INDEPENDENT LEGAL AND BUSINESS COUNSEL BEFORE ENTERING INTO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the Effective Date.

SQUIRREL AI LEARNING INC

By: ______________________________

Name: [[AUTHORIZED SIGNATORY]]

Title: [[TITLE]]

Date*: _____________________________

(*This is the Effective Date)

FRANCHISEE:

[[FRANCHISEE NAME]]

By: ______________________________

Name: [[SIGNATORY NAME]]

Title: [[TITLE]]

Date: _____________________________

List of Attachments:

1 - Approved Location

2 - General Release

3 - EFT / ACH Authorization

4 - Confidentiality and Non-Competition Agreement

5 - Schedule of Owners, Principals, and Managers

6 - Personal Guaranty

Attachment 1

Approved Location

The Approved Location of the Center under the Franchise Agreement is identified below. We may revise this Attachment 1 to reflect a location approved after the signing of the Franchise Agreement or to reflect an approved relocation.

The Approved Location of the Center is:

Center name: _________________________

Street Address: ________________________

City, State, Zip: ________________________

Date of Approval: ______________________

Attachment 2

General Release

SQUIRREL AI LEARNING INC ("**we**," "**us**," or "**our**") and ____________________________ ("**you**" or "**your**") are currently parties to a certain franchise agreement dated __________________ (the "**Agreement**"). You have asked us to take the following action or to agree to the following request: ____.

We have the right under the Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

You and your owners, jointly and severally, on behalf of themselves and their spouses and immediate family members, and each such foregoing person's or entity's respective affiliates, employees, owners, officers, directors, successors, assigns, spouses and immediate family members (the "**Releasing Parties**") hereby fully and forever unconditionally release and discharge us and our current and former affiliates, parents, subsidiaries, franchisees, area developers, owners, agents, insurers and our and their respective affiliates, employees, officers, directors, successors, assigns, owners, guarantors and other representatives (the "**Franchisor Parties**"), of and from any and all claims, obligations, debts, proceedings, demands, causes of action, rights to terminate and rescind, liabilities, losses, damages, and rights of every kind and nature whatsoever, and known or unknown, suspected or unsuspected, whether at law or in equity, which any of them has, had, or may have against any of the Franchisor Parties, from the beginning of time to the date of this document (together, "**Claims**"), including any and all Claims in any way arising out of or relating to the Agreement or the relationship of the Releasing Parties with any of the Franchisor Parties. You and your owners, on your own behalf and the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity.

IF THE FRANCHISED BUSINESS YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF ANY OF THE RELEASING PARTIES ARE RESIDENTS OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE FRANCHISOR PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING

PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

"**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY**."

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

For Washington franchisees, the general release form does not apply to claims arising under the Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder.

[signature page follows]

IN WITNESS WHEREOF, the party has executed and delivered this document on the date stated below.

RELEASING PARTY:

If individual:

Name: ____

Signature: ____________________________________

Date: ____

If entity:

Entity Name: ___________________________________

By: ____

Name: ____________________________________

Title: ____

Date: ____

Attachment 3

EFT / ACH AUTHORIZATION

This Authorization is attached to and made part of the Franchise Agreement (the “Agreement”) dated [[EFFECTIVE DATE]] between Squirrel Ai Learning Inc and [[FRANCHISEE NAME]] (“Franchisee”).

Franchisee authorizes Squirrel Ai Learning Inc and its designated payment processors to initiate debit entries to the bank account identified below for all amounts due under the Agreement and related agreements, including royalties, marketing fund contributions, transfer fees, renewal fees, late charges, audit costs, and any other sums owed.

Bank Name: [[BANK NAME]]

Account Name: [[ACCOUNT NAME]]

Account Type: [[CHECKING/SAVINGS]]

Routing Number: [[ROUTING NUMBER]]

Account Number: [[ACCOUNT NUMBER]]

Franchisee acknowledges and agrees:

1. we may debit the account for all amounts due under the Agreement;
2. Franchisee must maintain sufficient available funds in the account;
3. Franchisee must immediately notify us of any account change and provide a replacement authorization;
4. this authorization remains effective until all obligations under the Agreement are fully satisfied; and
5. Franchisee remains liable for all amounts owed whether or not a debit attempt is successful.

Franchisee represents that the undersigned is authorized to sign on the account identified above.

[signature page follows]

IN WITNESS WHEREOF, the party has executed and delivered this document on the date stated below.

Franchisee:

If individual:

Name: ____

Signature: ____________________________________

Date: ____

If entity:

Entity Name: __________________________________

By: ____

Name: ____________________________________

Title: ____

Date: ____

Attachment 4

Confidentiality and Non-Competition Agreement

ENTITY NAME:	______________________________
APPROVED LOCATION OF THE CENTER:	______________________________
YOUR NAME:	______________________________
YOUR ASSOCIATION WITH THE ENTITY:	______________________________
YOUR CONTACT ADDRESS:	______________________________

This Confidentiality and Non-Competition Agreement (this "Agreement") is entered into by the undersigned individual ("you", "your") in favor of Squirrel Ai Learning Inc, a Delaware corporation with principal offices at 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004 ("Squirrel Ai," "we," "us," or "our"), in connection with your association with the entity franchisee identified above (the "Franchisee"), who operates a franchised Squirrel Ai self-study learning center under a franchise agreement with Squirrel Ai (the "Franchise Agreement"). Any capitalized terms used but not defined in this Agreement have the meanings given to them in the Franchise Agreement.

You hereby acknowledge that, in connection with your association with the Franchisee, you will have access to confidential, proprietary, and trade secret information of Squirrel Ai, including its proprietary AI-enabled learning platform, curriculum content, learning workflows, assessment methodologies, software logic, student-management methods, training methods, data structures, system standards, and other elements of the Squirrel Ai Learning system (collectively, the "System"). You further acknowledge that the goodwill associated with the Squirrel Ai brand and the System is a valuable asset of Squirrel Ai and its franchisees, and that the protections set forth in this Agreement are reasonable and necessary to safeguard that goodwill, the System, and Squirrel Ai's confidential and proprietary information. In consideration of your association with the Franchisee and other good and valuable consideration, you agree as follows:

You agree that during the term of your association with the Franchisee identified above, you may not, without Squirrel Ai's prior written consent:

1. directly or indirectly own, operate, manage, advise, assist, finance, be employed by, or have any interest in any in any education, tutoring, learning center, adaptive learning, or AI-enabled student support business, except passive ownership of less than 2% of a publicly traded company.

2. For two (2) years after ending your association with the Franchisee identified above, engage in any competing education, tutoring, learning center, adaptive learning, or AI-enabled student support business within 10 miles of the Approved Location and any other

Squirrel Ai self-study learning center franchised or owned by us, to the fullest extent permitted by law. You agree that this restriction will not keep you from earning a livelihood, and you understand that its purpose is to protect the goodwill of Squirrel Ai and its other franchisees. It is not a violation of this Section 2 for you to accept employment as a teacher in a public school or a private or chartered school that is licensed to operate under state or municipal authority.

3. For two (2) years after ending your association with the Franchisee identified above, solicit customers or franchisees of the System for a competing business.

4. Attempt to circumvent the restrictions in Sections 1 through 3 above by engaging in prohibited activity indirectly through any other person or entity, including your spouse or adult child.

5. At any time during or after your association with the Franchisee identified above, disclose any Confidential Information that you obtained as a result of that association to any unauthorized person, copy or reproduce, or use for any purpose other than the operation of the franchised center identified above any Confidential Information of Squirrel Ai that may be communicated to you. "Confidential Information" means all non-public information relating to the System, including manuals, software logic, product roadmaps, pricing methods, student workflow design, center operations, brand standards, vendor information, training materials, reports, algorithms, data structures, business methods, Student Information, and all other proprietary know-how that we or our affiliates provide or make available. Upon the end of your association with the Franchisee identified above or the expiration or termination of the Franchise Agreement, you will promptly return or, at Squirrel Ai's direction, destroy all Confidential Information and other proprietary materials in your possession or control and certify such return or destruction to Squirrel Ai in writing.

You agree that all improvements, suggestions, local adaptations, data structures, templates, reports, workflows, content enhancements, or derivative materials relating to the System that you developed will be owned by us to the fullest extent permitted by law, and you hereby assign them to us.

If a court or arbitrator determines that any of these restrictions is overbroad, you agree to be bound by any lesser restriction that the court or arbitrator determines to be enforceable.

You acknowledge that violation of any of these restrictions would result in immediate and irreparable injury to Squirrel Ai for which monetary damages would be an inadequate remedy. Accordingly, you consent to the entry of an injunction prohibiting you from violating these restrictions, without the necessity of posting bond, in addition to any other remedies available at law or in equity.

This Agreement will inure to the benefit of Squirrel Ai and its successors and assigns and may be enforced by any of them. Except to the extent superseded by federal law or non-waivable state franchise law, this Agreement will be governed by, and construed in accordance with, the governing law set forth in the Franchise Agreement, and any disputes under this Agreement will be resolved in accordance with the dispute-resolution, venue, mediation, arbitration, jury-trial waiver, class-action waiver, and injunctive-relief provisions of the Franchise Agreement, which are incorporated by reference.

Local laws may affect the enforceability of portions of this document. Should you have any questions in this regard, you are encouraged to seek independent legal advice prior to execution of this document.

Please sign and date.

________________________ ____ / ____ / ____

Signature Date

____

Print Name

Attachment 5

Schedule of Owners, Principals and Managers

This schedule is attached to and made part of the Franchise Agreement dated [[EFFECTIVE DATE]] between Squirrel Ai Learning Inc and [[FRANCHISEE NAME]] (the "Franchisee").

Franchisee must complete and update this schedule whenever ownership, control, or management changes.

Name	Title / Role	Ownership %	Home Address	Email	Phone

Designated Manager (as defined in the Franchise Agreement):

Name:	
Start Date:	
Home Address:	
Email:	
Phone:	

Franchisee certifies that the information above is true and complete.

FRANCHISEE:

[[FRANCHISEE NAME]]

By: ______________________________

Name: ____________________________

Title: _____________________________

Date: _____________________________

Attachment 6

Personal Guaranty

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("**Guaranty**") is given by the persons indicated below who have executed this Guaranty (each a "**Guarantor**") to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement executed concurrently herewith (as amended, restated, or supplemented, the "**Agreement**") by and between Squirrel Ai Learning Inc (the "**Franchisor**"), and ________________ ___________________ ("**Franchisee**"), each Guarantor hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns that Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed, and (4) any right such Guarantor may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed.

Each Guarantor hereby consents and agrees that:

(a) Franchisor may proceed against any Guarantor and/or Franchisee, jointly and severally, including by proceeding against Guarantor, without having commenced any action, or having obtained any judgment against any other Guarantor or Franchisee;

(b) Guarantor will render any payment or performance required under the Agreement on demand if Franchisee fails or refuses punctually to do so;

(c) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement;

(d) Guarantor is bound by the restrictive covenants, confidentiality provisions, and indemnification provisions contained in the Agreement, and any and all provisions that by their terms apply to owners of Franchisee;

(e) At Franchisor's request, Guarantor agrees to provide the updated financial information to us as may be reasonably necessary to demonstrate his or her ability to satisfy the obligations of the franchise owners under the Agreement;

(f) This Guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee. Neither Guarantor's obligations to make payment or render performance in accordance with the terms of this Guaranty nor any remedy for enforcement will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement;

(g) Guarantor agrees to pay all costs and expenses (including attorneys' fees) incurred by Franchisor or any of its affiliates in connection with the enforcement of this Guaranty, including any collection or attempt to collect amounts due, or any negotiations relative to the obligations hereby guaranteed; and

(h) Guarantor agrees to be personally bound by the dispute resolution provisions under Article 18 of the Agreement, including the obligation to submit to binding arbitration the claims described in Section 21.3 of the Agreement in accordance with its terms.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guarantee is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has affixed his signature to be effective as of the Effective Date.

GUARANTOR(S)	SPOUSE(S)
Name:____________________ Sign: ____________________ Address: ____________________ ____________________ ____________________ Email:____________________	Name:____________________ Sign: ____________________ Address: ____________________ ____________________ ____________________ Email:____________________
Name:____________________ Sign: ____________________ Address: ____________________ ____________________ ____________________ Email:____________________	Name:____________________ Sign: ____________________ Address: ____________________ ____________________ ____________________ Email:____________________

EXHIBIT E
LIST OF CURRENT AND FORMER FRANCHISEES

LIST OF CURRENT FRANCHISEES

Franchisees in the System as of December 31, 2025

None.

LIST OF FORMER FRANCHISEES

Franchisees that Left the System during the Fiscal Year ended December 31, 2025, or who have not communicated with us in the 10 weeks prior to the issuance date of the FDD:

None

EXHIBIT F

REPRESENTATIONS STATEMENT

REPRESENTATIONS STATEMENT

DO NOT SIGN OR INITIAL THIS QUESTIONNAIRE IF YOU ARE LOCATED IN, A RESIDENT OF, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, ILLINOIS, NEW YORK OR WASHINGTON.

The purpose of this Statement is to demonstrate to SQUIRREL AI LEARNING INC ("Franchisor") that the person(s) signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the franchise rights, (a) fully understands that the purchase of a Squirrel AI Learning Center franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") in deciding to purchase the franchise. In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD at least 14 calendar days before I executed a Franchise Agreement, or paid Franchisor or its affiliates any fees. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these agreements and only in these agreements. I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its affiliates, officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:

My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination that I have the capital necessary to fund the franchised business and my living expenses, particularly during the start-up phase.	INITIAL:
PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED. Have you received any information from the Franchisor or any of its affiliates, officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchised business (including any statement, promise or assurance concerning the likelihood of success)? ☐ Yes ☐ No (Initial Here: ____) If you selected “Yes,” please describe the information you received on the lines below: ____ ____.	INITIAL:

[Signature page follows]

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____

Entity Name

Sign:________________________________

Name:_______________________________

Title:________________________________

DATED:______________________________

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL):

____

Individual Name

Sign:________________________________

DATED:___________________________

EXHIBIT G

STATE ADDENDA AND AGREEMENT RIDERS

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
SQUIRREL AI LEARNING INC**

The following are additional disclosures for the Franchise Disclosure Document of Squirrel AI Learning Inc required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise law applies to you.

FOR THE FOLLOWING STATES: CALIFORNIA, ILLINOIS, NEW YORK, OR WASHINGTON.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA

1. 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.

2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

3. NEITHER WE, OUR PARENT, PREDECESSOR OR AFFILIATE NOR ANY PERSON IN ITEM 2 OF THE FRANCHISE DISCLOSURE DOCUMENT IS SUBJECT TO ANY CURRENTLY EFFECTIVE ORDER OF ANY NATIONAL SECURITIES ASSOCIATION OR NATIONAL SECURITIES EXCHANGE, AS DEFINED IN THE SECURITIES EXCHANGE AC OF 1934, 15 U.S.C.A SECTIONS 78A ET SEQ., SUSPENDING OR EXPELLING SUCH PERSONS FROM MEMBERSHIP IN THAT ASSOCIATION OR EXCHANGE.

4. OUR WEBSITE, www.squirrelai.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

5. The following paragraph is added at the end of Item 6:

The highest rate of interest allowed by California law is 10% annually.

6. The following paragraphs are added at the end of Item 17:

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

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

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

The Franchise Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

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

The Franchise Agreement requires binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then current principal place of business (currently Bellevue, Washington) with the costs being borne as provided in the Franchise Agreement.

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 the Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Delaware. This provision might not be enforceable under California law.

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices it sets for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

The following paragraphs are added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside 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 rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT

ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

The following applies 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 that is 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 ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a 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; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law.".

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

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

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

WASHINGTON

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except

when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE SQUIRREL AI LEARNING INC
FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA

THIS RIDER is made and entered into by and between **SQUIRREL AI LEARNING INC**, a Delaware corporation with its principal business address at 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004 ("**we**" or "**us**"), and ____, whose principal business address is _________________________________ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated ____________, 20___ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of California, or (b) the offer of the franchise is made or accepted in the State of California and the Center that you develop under your Franchise Agreement is or will be located in the State of California.

2. **ACKNOWLEDGEMENT.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SQUIRREL AI LEARNING INC,
a Delaware corporation

Sign:_______________________________
Name:______________________________
Title:_______________________________

FRANCHISEE

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
Entity Name

____
Signature

Name:______________________________

Title:_______________________________

DATED:__________________________

FRANCHISEE

(IF YOU ARE AN INDIVIDUAL AND NOT AN ENTITY):

____
Signature

____
Print Name

DATED:__________________________

RIDER TO THE SQUIRREL AI LEARNING INC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **SQUIRREL AI LEARNING INC**, a Delaware corporation with its principal business address at 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004 ("**we**" or "**us**"), and ____, whose principal business address is ________________________________ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated __________________________, 20___ (the "**Franchise Agreemen**t") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Center that you develop under your Franchise Agreement is or will be operated in the State of Illinois.

2. **LIMITATIONS OF CLAIMS**. Section 21.7 of the Franchise Agreement is amended by adding the following:

> However, nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

3. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added to the end of the Franchise Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside 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 rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SQUIRREL AI LEARNING INC,
a Delaware corporation

Sign:________________________________
Name:_______________________________
Title:________________________________

FRANCHISEE

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
Entity Name

____
Signature

Name:______________________________

Title:_______________________________

DATED:___________________________

FRANCHISEE

(IF YOU ARE AN INDIVIDUAL AND NOT AN ENTITY):

____
Signature

____
Print Name

DATED:___________________________

RIDER TO THE SQUIRREL AI LEARNING INC
FRANCHISE AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **SQUIRREL AI LEARNING INC**, a Delaware corporation with its principal business address at 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004 ("**we**" or "**us**"), and ____, whose principal business address is _________________________________ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated __________________________, 20___ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made in the State of New York; or (b) an offer to buy is accepted in the State of New York; or (c) if you are domiciled in the State of New York, the Center is or will be operated in the State of New York.

2. **RELEASES AND WAIVERS**. The following is added to the end of Sections 3.3 and 16.2 of the Franchise Agreement:

> Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provision of Article 33 of the General Business Law of the State of New York and the regulations issued there under shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.4, as amended.

3. **CHOICE OF FORUM AND CHOICE OF LAW**. The following sentence is added to the end of Sections 21.1 and 21.2 of the Franchise Agreement:

> This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law as amended, and the regulations issued thereunder.

4. **TRANSFER**. The following sentence is added to the end of Section 20.1 of the Franchise Agreement:

> However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under this Agreement.

5. **TERMINATION**. The following sentence is added to the end of Section 17.5 of the Franchise Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

6. **FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGEMENTS**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. **<u>RECEIPTS.</u>** Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SQUIRREL AI LEARNING INC,
a Delaware corporation

Sign:________________________________
Name:_______________________________
Title:________________________________

FRANCHISEE

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
Entity Name

____
Signature

Name:______________________________

Title:_______________________________

DATED:___________________________

FRANCHISEE

(IF YOU ARE AN INDIVIDUAL AND NOT AN ENTITY):

____
Signature

____
Print Name

DATED:___________________________

WASHINGTON RIDER TO THE FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

THIS RIDER is made and entered into by and between **SQUIRREL AI LEARNING INC**, a Delaware corporation with its principal business address at 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004 ("**we**" or "**us**"), and ____, whose principal business address is __________________________________ ("**you**" or "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated ___________________________, 20____ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) you are a resident of the State of Washington; or (d) the Center that you develop under your Franchise Agreement is or will be located or operated, wholly or partly, in the State of Washington.

2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations

period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted

annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

SQUIRREL AI LEARNING INC,
a Delaware corporation

Sign:______________________________
Name:______________________________
Title:______________________________

FRANCHISEE

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
Entity Name

____
Signature

Name:____________________________

Title:____________________________

DATED:__________________________

FRANCHISEE

(IF YOU ARE AN INDIVIDUAL AND NOT AN ENTITY):

____
Signature

____
Print Name

DATED:__________________________

NEW YORK REPRESENTATIONS PAGE

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

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
New York	Pending
Washington	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT H

RECEIPTS

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 Squirrel AI Learning Inc 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. Under Iowa law, Squirrel AI Learning Inc must give you this Disclosure Document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, Squirrel AI Learning Inc must provide 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.

If Squirrel AI Learning Inc does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance date: June 8, 2026

The Franchisor is Squirrel AI Learning Inc, located at 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004. Its telephone number is 781-502-1261. The franchise seller who offered you a Squirrel AI franchise is:

❑ ________________	❑ __________________	❑ __________________
Squirrel AI Learning Inc, 800 Bellevue Way NE, Suite 500, Bellevue WA 98004 781-502-1261	Squirrel AI Learning Inc, 800 Bellevue Way NE, Suite 500, Bellevue WA 98004 781-502-1261	Squirrel AI Learning Inc, 800 Bellevue Way NE, Suite 500, Bellevue WA 98004 781-502-1261

Squirrel AI Learning Inc authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated **June 8, 2026**, that included the following Exhibits:

Exhibit A - State Administrators/Agents for Service of Process
Exhibit B - Table of Contents to Operations Manual
Exhibit C – Financial Statements
Exhibit D – Franchise Agreement
Exhibit E – Current and Former Franchisee List
Exhibit F – Representations Statement
Exhibit G – State Addenda
Exhibit H - Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:	If an individual:
______________________________	______________________________
Name of Business Entity	(Print Name): ____________________
By: ____________________	
Its: ____________________	Dated: ____________________
(Print Name): ______________	
Dated: ______________	

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail or e-mail, to Squirrel AI Learning Inc, 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004.

Phone: 213-316-6586/781-502-1261, Email: info@squirrelai.com / franchise@squirrelai.com.

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 Squirrel AI Learning Inc 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. Under Iowa law, Squirrel AI Learning Inc must give you this Disclosure Document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, Squirrel AI Learning Inc must provide 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.

If Squirrel AI Learning Inc does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance date: June 8, 2026

The Franchisor is Squirrel AI Learning Inc, located at 800 Bellevue Way NE, Suite 500, Bellevue, WA 98004. Its telephone number is 781-502-1261. The franchise seller who offered you a Squirrel AI franchise is:

❑ ________________	❑ __________________	❑ __________________
Squirrel AI Learning Inc,	Squirrel AI Learning Inc,	Squirrel AI Learning Inc,
800 Bellevue Way NE,	800 Bellevue Way NE,	800 Bellevue Way NE,
Suite 500, Bellevue WA 98004	Suite 500, Bellevue WA 98004	Suite 500, Bellevue WA 98004
781-502-1261	781-502-1261	781-502-1261

Squirrel AI Learning Inc authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated June 8, 2026, that included the following Exhibits:

Exhibit A - State Administrators/Agents for Service of Process
Exhibit B - Table of Contents to Operations Manual
Exhibit C – Financial Statements
Exhibit D – Franchise Agreement
Exhibit E – Current and Former Franchisee List
Exhibit F – Representations Statement
Exhibit G – State Addenda
Exhibit H - Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

____

Name of Business Entity

By: ______________________________

Its: ______________________________

(Print Name): ______________________

Dated: _____________________

If an individual:

____

(Print Name): _____________________________

Dated: ____________________________

You may keep this copy of the receipt for your own records.