FRANCHISE DISCLOSURE DOCUMENT

STARZ PROGRAM WORLDWIDE LLC
A Virginia limited liability company
10307 W. Broad St., #121
Richmond, VA 23060
1-877-897-89-STARZ (1-877-897-8279)
contact@StarzProgram.com

We offer a franchised business that offers a fitness-based skill development program for children aged 2 through 12, encompassing sports, dance, cheerleading, creative movement, yoga (enriched flow), and fitness. The Starz Program is designed not only to promote physical health and skill building but also to support emotional development and help children strengthen their inner voice through confidence-building, creativity, and positive self-talk and expression. The Starz Program is offered at preschools, daycares, and early learning centers. Additionally, after-school classes are held at elementary schools, country clubs, and other facilities, providing a specialized, tailored program designed to complement and enhance the existing curriculum.

Mobile:

The total investment necessary to begin operation of a Starz Program mobile franchise is $42,150-$130,625. This includes $39,500 to $107,500 that must be paid to the franchisor or affiliate.

Independent Location:

The total investment necessary to begin operation of a Starz Program Independent Location franchise is $28,150-$42,625. This includes $25,500 to $27,500 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Sophia Wastler at Starz Program Franchise LLC, 10307 W. Broad St., #121, Richmond, VA 23060, telephone 1-877-897-8279.

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

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

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

Issuance date: January 30, 2025, as amended October 1, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.
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 D 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 Starz Program business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Starz Program franchisee?	Item 20 or Exhibit C 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 B.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Virginia. 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 Virginia than in your own state.

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

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

4. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain those levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

5. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

The Franchisor

To simplify the language in this disclosure document, "we," "us," or "our company" means Starz Program Worldwide LLC, the franchisor. "You" means the person who buys the franchise and it may refer to the owner or owners of the buyer entity. We do business under the name Starz Program. We are a Virginia limited liability company formed January 5, 2017. Our principal business address is 10307 W. Broad St., #121, Richmond, VA 23060.

Exhibit B contains our agents for service of process.

Our Parents, Predecessors and Affiliates

Affiliate

Sophia Z. Wastler founded the Starz Program concept and business in 2004. The Starz Program, LLC is a Virginia limited liability company formed October 21, 2004. It was originally formed under the name Sophie's Choice Industries, LLC and changed its name to Sophies Choice, LLC, on June 15, 2005. On October 28, 2005, the company changed its name to The Starz Program, LLC.

She developed the Starz Program to provide students with the skills they need to participate in athletics and help build their self-confidence.

The Starz Program, LLC, began serving preschools, private schools, daycare centers and Montessori schools in the Fall of 2005. Today, the company offers the Starz Program in multiple locations in Virginia as well as North Carolina.

The Starz Program, LLC, offered and granted its first and only Starz Program franchise in June 2016. The Starz Program, LLC assigned this franchise agreement to us in 2017. The Starz Program LLC no longer offers or sells Starz Program franchises and no other affiliate offers or sells Starz Program franchises.

The Franchisor

Our company was also founded by Mrs. Wastler. We began offering franchises of the Starz Program in 2017.

The principal business address of The Starz Program, LLC, is 10307 W. Broad St., #121, Richmond, VA 23060.

Parents or Predecessors

We do not have a parent company or a predecessor.

Prior Business Experience

Neither we nor our affiliate offers or has offered franchises in other lines of business. Our affiliate does not offer products or services to our franchisees.

The Franchise

We offer you the right to own and operate a mobile business that provides a fitness and skills development program for children ages 2 through 12, including sports, dance, cheerleading, yoga and related educational enrichment at various locations in the territory. The program promotes both skills and fitness, which contribute to each child's self-confidence and overall well-being. The Starz Program operates primarily in preschools, private schools, country clubs, daycare centers, and Montessori schools, providing a specialized, tailored program to enhance the school's existing curriculum. We expect that you will operate your franchised business from your home office. Your customers are parents of the children and the schools or centers at which you might offer the program. You will need a vehicle so that you can travel to each of the schools and other venues that offer the program and so that you can bring the necessary equipment with you. You may use any vehicle of your choice. The required equipment includes footballs, soccer balls, basketballs, T-balls, volleyballs, floor hockey sticks, cheer pom poms, megaphones and similar items.

Alternatively, you may operate an Independent Location. An Independent Location operates from a single, stand-alone location, such as a learning center or field house. The classes and programs offered under this option will be the same, however, they will only be offered only from the single location.

The terms of the franchise offering are contained in our franchise agreement, a form of which is attached to this disclosure document as Exhibit F. The franchise agreement grants to you the right to operate a Starz Program business in a defined geographic area.

The Market

The market for pre-school and school age children's activity programs is well established. Starz Program customers are parents of pre-school and school age children and the schools or centers that may want to offer the program. The Starz Program is offered throughout the school year. We also encourage but do not require you to offer the program and/or camps during the summer.

We regard the Starz Program as a premium quality offering, and we may require you to price your services in a way that reflects this fact.

The Competition

The market for pre-school and school age children's activity programs is highly competitive. You will compete with schools and other educational and sports-related programs in your area that offer in-school or after-school physical fitness, dance, gymnastics, other enrichment programs, childcare services, or other similar services for preschool and school age children.

These programs may be offered at daycare centers, preschools, elementary schools, country clubs, community parks, churches or other locations on a year-round basis.

Some competitors focus on technique and skills. The Starz Program differentiates itself by focusing on the educational side of fitness. Our curricula include students learning specific terminology, teaching body awareness including terms of muscles, and building self-confidence.

Laws and Regulations

You must comply with federal, state and local laws regarding the protection of children, including daycare and preschool regulations relating to employees and background checks. The laws vary from state to state and may require you to conduct a criminal or police record check on each instructor and require the instructor to be fingerprinted. You must comply with the Fair Credit Reporting Act when conducting background checks. You should investigate the application of these laws further.

Item 2
BUSINESS EXPERIENCE

Managing Member – Sophia Wastler

Sophia Wastler, MS. Ed., is the founder of the Starz Program concept and business. She has been the Managing Member of our company since its formation on January 5, 2017. Mrs. Wastler is also the founder and Chief Executive Officer of The Starz Program, LLC, a position she has held since that company was formed on October 21, 2004. She works in Richmond, Virginia.

Corporate Leadership Team, Director of Corporate & Franchise Operations – Brittany Suria

Brittany Suria is on the Corporate Leadership team and serves as our Director of Corporate & Franchise Operations since May 2025. She previously served as the Director of Sports and Fitness, a position she held since our company was formed on January 5, 2017, until May 2025. Mrs. Suria is also the manager and Director of the Hampton Roads Corporate location for The Starz Program, LLC. She has been with the company since April 2014. She works in Virginia Beach, Virginia, where she holds these positions and also trains and supports our franchise owners and works to support our program.

Compliance and Operational Support– Megan Brengel Cowley

Megan Cowley serves as Compliance and Operational Support since August 2025. She previously was our Director of Dance and Cheer, a position she held since our company was formed on January 5, 2017, until August 2025. Mrs. Cowley started as a teacher for the Starz Program in Virginia Beach, VA, in 2011, and, in 2014, moved to West Palm Beach, Florida, where she became an area manager for The Starz Program, LLC. In 2019, Mrs. Cowley moved back to Virginia Beach, VA, where she continues to train and support our franchise owners and works to support our program.

Corporate Communications Coordinator – Sarah Antonacci

Sarah Antonacci is our Corporate Communications Coordinator, a role she has held since June 2025. Previously, Ms. Antonacci served as our Social Media Coordinator from February 2023 to June 2025 and as a Dance and Cheer Teacher from January 2023 to May 2023. Since July 2023, Ms. Antonacci has also worked as the Lead Wedding Planner and Office Administrator for Amber Justine Events in Virginia Beach, Virginia. She was a Reception and Sales Associate for Heritage Baby View in Conway, South Carolina, from September 2024 to March 2025 and served as Lead Event Planner for Stunning & Brilliant Events in Myrtle Beach, South Carolina, from April 2024 to September 2024. From August 2023 to January 2024, she was the Assistant Middle School Cheer Coach for Virginia Beach City Public Schools in Virginia Beach, Virginia. Ms. Antonacci was an Events Associate for PRA Group in Norfolk, Virginia, from October 2022 to December 2023. From May 2022 to September 2022, she served as a Strategic Pricing Leadership Development Associate for Parker Hannifin Aerospace in Irvine, California. She served as a Peer Tutor for Hofstra University in Uniondale, New York, from October 2021 to May 2022. She was an Event Staff Member and Photographer for VBLI in Northport, New York, from April 2021 to December 2021, and worked as a Sales Associate for Just Hatched in Guilford, Connecticut, from January 2019 to August 2020.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

The initial franchise fee for a Starz Program franchise consisting of a single unit territory is $39,000. A unit territory is a geographic area with a minimum population of 150,000 and a maximum population of 200,000.

You may purchase up to four territories at one time. The fee for each additional territory you purchase is $22,000.

You pay the initial franchise fee in one lump sum when you sign the franchise agreement. We do not charge an initial training fee for the initial training of two people (typically your Managing Owner and one other) conducted at our location. If you choose to host your initial training at your location, you will be responsible for the daily charge of $350 per day plus travel and living expenses for each trainer traveling to your location for the training. If we determine, in our sole discretion, that your Managing Owner is unable to complete the training satisfactorily, we may terminate the franchise agreement. If we terminate the agreement during or immediately after your training is complete, we will refund 50% of the initial franchise fee.

Finally, before opening the Franchised Business, you will need to purchase from us signage and other branded items in the amount of $500.

We may offer a discount to existing or former employees of The Starz Program, LLC. For qualified individuals who were honorably discharged from any branch of the United States Military the Initial Franchise Fee will be discounted 5%. Individuals with at least three years of experience teaching in a private or public school system will also receive a 5% discount on the Initial Franchise Fee. This discount must be requested at the time of your initial franchise application and requires documentation of military service or teaching. These discounts may not be combined.

Independent Location franchise. If you purchase a franchise for operation in an Independent Location, the initial franchise fee is discounted to $25,000. You will need to purchase from us signage and other branded items in the amount of $500. The rest of the disclosures above as to initial fees are the same.

Aside from such discounts, the initial franchise fees are uniform to all franchisees.

Item 6
OTHER FEES

Type of Fee	***Amount***	***Date Due***	***Remarks***
Royalty	No royalty required for the first 90 days after	By the 10th day of each	You must continue to make Royalty payments 12 months of each year even if your franchised business only operates during

Type of Fee	*Amount*	*Date Due*	*Remarks*
	execution of the Franchise Agreement 4% of gross sales for the prior calendar month or, if greater, $200 a month per month beginning on day 91- 180. Beginning on day 181, 8% of gross sales for the prior calendar month or, if greater, $400 per month in the first year, $500 per month thereafter	calendar month	the school year and does not operate in the summer. If you purchase additional territories, a discounted royalty of 7.5% applies to all territories, or a minimum of $200 per month for each additional territory, whichever is greater.
Branded Uniform Fee	Currently, $125	At the hiring of first teacher	When you hire a teacher, you will pay us a $125 Branded Uniform Fee, which currently includes a Starz backpack for supplies, two short-sleeved T-shirts, and a Starz badge. These items and additional items may also be purchased separately.
Optional Training Fee	Our then current fees for training (currently $350 per day) plus expenses for each person we send to provide assistance or training.	Before travel	Payable to us for disbursement to the person who will train or assist.
Marketing Fund	Currently $0, but if implemented then up to 2% of gross sales	10th day of each month, based on prior month's gross sales	If implemented, the Marketing Fund contributions will be paid to us in addition to any local advertising you choose to conduct in your local market. We reserve the right to implement this Marketing Fund upon 30 days' prior written notice to you.

Type of Fee	*Amount*	*Date Due*	*Remarks*
Regional Advertising Cooperative	Currently $0, but if implemented then up to 1% of gross sales	10th day of each month, based on prior month's gross sales	We may require you to participate in such programs on an equitable basis with other participants,
Conference fee	No more than $1,000 per annual conference, depending on our direct costs	Before each conference	You must pay our annual conference fee whether or not you attend the conference (although attendance is mandatory). You must also pay all travel and living expenses you incur to attend the conference.
Non-Compliance Fee	$100 per non-compliance	When billed	You must pay us this fee if you fail to comply with the operations manual including, but not limited to, failing to attend and participate in monthly franchisee owner meetings.
Event fee	$50 to $500	When billed	You must pay for our assistance and the materials we provide for recitals or other Starz Program events that you hold. If our representative personally attends the event and assists at your request we may also charge the fee described under "Optional Training Fee" above.
Refresher training fee	Our then current fees for training (currently $350 per day to $400) plus travel and living expenses for each person we send to your franchised business to provide training	When billed	We require you to pay for this training if any review indicates noncompliance with any system standards or if we receive negative customer feedback.
Transfer fee	10% of the then current initial fee plus training expenses	At the time the transfer is consummated	This fee reimburses our reasonable costs when there is a change in ownership of your business. We require the selling owner to assist in the transition for the first 90 days.

Type of Fee	*Amount*	*Date Due*	*Remarks*
Management fee	Reasonable management fee in addition to the Royalty and Marketing Fee	When billed	If we must enter and operate the Franchised Business or if the Managing Owner ceases active management or upon the death or disability of a managing owner of your business, the business is not being managed properly we may appoint a manager until you appoint a trained replacement manager.
Insurance	Our actual costs of the premium and related costs for the period of coverage plus a 25% service charge	When billed	Payable if you fail to carry required insurance and we decide to purchase it for you (although we are not obligated to do so).
Inspection or observation	Our actual costs	When billed	Payable if during an inspection or observation of your business we find that you failed to comply with the franchise agreement and we (or our designated third party) perform these obligations for you in order to protect the Starz Program brand. If you fail to conduct required observation and reporting regarding your employees that we may require from time to time and we conduct the observation and reporting regarding your employees, you agree to pay us our then-current fees and expenses for additional or ongoing training to do so.
Audit	Deficiency amount shown by audit plus interest and cost of inspection/audit, legal and accounting fees, and travel expenses of auditing/inspecting personnel	When billed	Payable only if audit shows an understatement of 2% or more for the period of the audit or if the audit is made necessary by your failure to furnish required information or documents to us in a timely manner.

Type of Fee	*Amount*	*Date Due*	*Remarks*
Renewal fee	20% of the then-current initial fee plus reimbursement of our legal and professional expenses.	When you sign the successor agreement	If you are in good standing, you may elect to continue operating the franchise for two additional consecutive five-year successor terms.
Unauthorized product or service fee	$50 per day of use of unauthorized products or services plus our actual out-of-pocket costs for our inspection	As incurred	In addition to other remedies available to us. Cure must be immediate upon oral or written notification. The fee applies if you continue to sell or purchase an unauthorized product or service after we have notified you to cease.
Hiring Assistance Fee	$125 per instructor	At time of request	You may request assistance with hiring for your franchise and agree to pay us a fee for providing hiring assistance.
Teacher Online Training Fee	Ranges from $45-$125 per course per teacher	At time of training	You agree to pay this fee to us for online teacher training that we specify.
Violation Fee	$200 per violation	At time of violation	You agree to pay this fee per month for any teacher that has not been properly trained, does not have a proper badge, or background check.
Returned check/EFT fee	$75 for each NSF or EFT returned	As incurred	This amount is in addition to the late payment interest. If this happens twice, you must pay each month via ACH.
Interest	The lesser of 1.5% per month or the highest rate allowed by law	On demand	May be charged on all past due amounts, including the monthly balance of principal and interest. If no due date is stated, interest begins to run 10 days after billing.
Late fee	The greater of 15% of the amount due or $25 for each required payment that is late	On demand	May be charged on all past due amounts.

Type of Fee	*Amount*	*Date Due*	*Remarks*
Failure to Report	120% of the last Royalty that we debited (together with the late fee noted above)	On demand	If you fail to report the Gross Sales of the Franchised Business for any month, we may debit the EFT Account for 120% of the last Royalty that we debited (together with the late fee noted above).
Liquidated damages	Average monthly royalty over last 12 months multiplied by 24 or such fewer number of months that remain in the first five years of the term, but not less than six months.	Within 30 days after effective date of termination or abandonment	Payable if you terminate the franchise agreement without cause or otherwise abandon the franchised business.
Attorneys' fees and costs	Our actual costs	As incurred	Payable if we incur costs in obtaining injunctive or other relief for the enforcement of any term of the franchise agreement because of your default under the franchise agreement.
Indemnification	Our actual costs	As incurred	You must reimburse us for claims against us involving your business operations, including reasonable attorney fees, subject to state law.

As defined in our franchise agreement "Gross Sales" or "Gross Sales of the Franchised Business" means the total of all sales made in the operation of the Franchised Business, whether collected or not, whether from cash, check, credit card or credit transactions (with no deduction for credit card charges), but excluding all federal, state or municipal sales or use taxes collected from customers for payment to the appropriate taxing authorities, excluding actual customer refunds, adjustments and credits made in compliance with the Manuals and excluding any tips collected and paid to or gifts received by employees from clients and customers.

All fees described in this Item 6 are imposed by and payable to us and are non-refundable.

We impose these fees uniformly for all franchisees.

Fees stated as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of the franchise agreement, as published by the U.S. Department of Labor, or a successor index.

We reserve the right at any time to require you to pay us by Automated Clearing House (ACH) electronic transfer.

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Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(Mobile Option)

Type of Expenditure	*Amount*		*Method of Payment*	*When Due*	*To Whom Payment is to be Made*
	Low	*High*			
Initial franchise fee *(Note 1)*	$39,000	$105,000	Lump sum	When you sign the franchise agreement	Us
Initial training (per person) *(Note 2)*	$0	$2,000	Lump sum	As incurred	Us
Your Travel, living expenses and salaries during initial training *(Note 3)*	$0	$3,500	As agreed	As incurred during training	Airlines, hotels, restaurants and others
Initial inventory and equipment	$300	$4,000	Check or credit card	Upon order	Approved suppliers
Branded Signage *(Note 4)*	$500	$500	Lump sum	When you sign the franchise agreement	Us
Computer system and software *(Note 5)*	$1,500	$2,500	As incurred	As incurred	Third-Party Vendors; Approved suppliers
Legal and accounting fees *(Note 6)*	$0	$3,500	As agreed	As incurred	Independent professionals
Insurance premiums *(Note 7)*	$350	$625	As agreed	As incurred	Independent broker or to us if we must purchase insurance on your behalf

Type of Expenditure	*Amount*		*Method of Payment*	*When Due*	*To Whom Payment is to be Made*
	Low	*High*			
Rent *(Note 8)*	$0	$8,000	As agreed	As incurred	School or other facility
Additional funds – first three months *(Note 9)*	$500	$1,000	As incurred	As incurred	Employees and others
Total *(Note 10)*	$42,150	$130,625			

Note 1: The initial fee for your first franchise is $39,000. If you purchase multiple territories at one time, the initial fee for the additional territories is $22,000 per territory. The high end assumes the purchase of four franchise territories. 50% of the initial franchise fee is refundable only if we terminate the franchise agreement because you fail to meet our expectations during initial training.

Note 2: We do not charge an initial training fee for the initial training of two people. Training can be done virtually, or you may choose to bear the travel expenses of your personnel. The low-end estimate assumes remote training or training at our location. The high-end estimate includes costs and expenses based on the daily charge of $350 per day plus travel and living expenses for trainers should you choose to host training at your location.

Note 3: The high-end estimate covers expenses related to initial training including travel, lodging and meals for selected staff for initial training in Richmond, VA, as well as the salaries of employees you will have working before opening. The low-end estimate is based on training conducted remotely or at your location.

Note 4: Currently, the branded signage includes 20 school outdoor yard signs, 20 school indoor signs, business cards, a Starz tablecloth for open houses, Starz tabletop stand up signs, Starz stickers for students, 100 Starz car magnets for parents, a Starz identification badge for franchisee and other Starz branded items and materials.

Note 5: We assume that you already own a computer. But if you need to purchase one, you might typically spend up to $1,500 for a computer and the software that will enable you to maintain your books and records on your computer. You are also required to subscribe to QuickBooks online and a classroom management software that we designate.

Note 6: You will incur professional legal and accounting fees to assist with your entity setup, licensing, and other legal and accounting issues.

Note 7: We require you to carry a general liability insurance policy that names us as additional insured. If you have any employees, you must carry workers insurance as required by your state.

Note 8: Most of the places where you will conduct classes are rent free. However, some schools or other facilities may charge rent.

Note 9: These amounts are our estimate of the amount needed to cover your expenses for the start-up phase of your business. The amounts are based on the experience of our affiliate, the Starz Program, LLC, in operating Starz Program businesses. These expenses do not include any draw or salary for you. This estimate assumes you already own a vehicle and have an automobile insurance policy for that vehicle and, therefore, does not include costs related to the purchase of a vehicle and an insurance policy. The estimate also assumes that no vehicle maintenance costs will be attributed to the operation of the franchised business. If you purchase a vehicle for the operation of the franchised business, your initial costs will likely be significantly greater than the estimate shown.

Additional funds include funds required to purchase Starz branded materials upon hiring your first instructor(s). We recommend that, aside from the additional funds shown, you have sufficient personal savings or income so that you will be self-sufficient during the start-up and development stage of your business, the duration of which will vary materially from one territory to another.

Note 10: Because the costs and the level of reserves will vary from one territory to another, we recommend that you (a) obtain independent estimates from third-party vendors, (b) research applicable regulations and their impact on your costs and operations and (c) carefully evaluate the adequacy of your total financial resources and reserves.

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YOUR ESTIMATED INITIAL INVESTMENT
(Independent Location Option)

Type of Expenditure	*Amount*		*Method of Payment*	*When Due*	*To Whom Payment is to be Made*
	Low	*High*			
Initial franchise fee *(Note 1)*	$25,000	$25,000	Lump sum	When you sign the franchise agreement	Us
Initial training (per person) *(Note 2)*	$0	$2,000	Lump sum	As incurred	Us
Your Travel, living expenses and salaries during initial training *(Note 3)*	$0	$3,500	As agreed	As incurred during training	Airlines, hotels, restaurants and others
Initial inventory and equipment	$300	$4,000	Check or credit card	Upon order	Approved suppliers
Branded Signage *(Note 4)*	$500	$500	Lump sum	When you sign the franchise agreement	Us
Computer system and software *(Note 5)*	$1,500	$2,500	As incurred	As incurred	Third-Party Vendors; Approved suppliers
Legal and accounting fees *(Note 6)*	$0	$3,500	As agreed	As incurred	Independent professionals
Insurance premiums *(Note 7)*	$350	$625	As agreed	As incurred	Independent broker or to us if we must purchase insurance on your behalf

Type of Expenditure	*Amount*		*Method of Payment*	*When Due*	*To Whom Payment is to be Made*
	Low	*High*			
Additional funds – first three months *(Note 8)*	$500	$1,000	As incurred	As incurred	Employees and others
Total *(Note 9)*	$28,150	$42,625			

Note 1: If you purchase a franchise for operation in an Independent Location, the initial franchise fee is $25,000. 50% of the initial franchise fee is refundable only if we terminate the franchise agreement because you fail to meet our expectations during initial training.

Note 2: We do not charge an initial training fee for the initial training of two people. Training can be done virtually, or you may choose to bear the travel expenses of your personnel. The low-end estimate assumes remote training or training at our location. The high-end estimate includes costs and expenses based on the daily charge of $350 per day plus travel and living expenses for trainers should you choose to host training at your location.

Note 3: The high-end estimate covers expenses related to initial training including travel, lodging and meals for selected staff for initial training in Richmond, VA, as well as the salaries of employees you will have working before opening. The low-end estimate is based on training conducted remotely or at your location.

Note 4: Currently, the branded signage includes 10 school outdoor yard signs, 10 school indoor signs, business cards, a Starz tablecloth for open houses, Starz tabletop stand up signs, Starz stickers for students, 50 Starz car magnets for parents, a Starz identification badge for franchisee and other Starz branded items and materials.

Note 5: We assume that you already own a computer. But if you need to purchase one, you might typically spend up to $1,500 for a computer and the software that will enable you to maintain your books and records on your computer. You are also required to subscribe to QuickBooks online and Enrollsy, a classroom management and billing platform that will help you operate your business.

Note 6: You will incur professional legal and accounting fees to assist with your entity setup, licensing, and other legal and accounting issues.

Note 7: We require you to carry a general liability insurance policy that names us as additional insured. If you have any employees, you must carry workers insurance as required by your state.

Note 8: These amounts are our estimate of the amount needed to cover your expenses for

the start-up phase of your business. The amounts are based on the experience of our affiliate, the Starz Program, LLC, in operating Starz Program businesses. These expenses do not include any draw or salary for you. This estimate assumes you already own a vehicle and have an automobile insurance policy for that vehicle and, therefore, does not include costs related to the purchase of a vehicle and an insurance policy. The estimate also assumes that no vehicle maintenance costs will be attributed to the operation of the franchised business. If you purchase a vehicle for the operation of the franchised business, your initial costs will likely be significantly greater than the estimate shown.

Additional funds include funds required to purchase Starz branded materials upon hiring your first instructor(s). We recommend that, aside from the additional funds shown, you have sufficient personal savings or income so that you will be self-sufficient during the start-up and development stage of your business, the duration of which will vary materially from one territory to another.

Note 9: Because the costs and the level of reserves will vary from one territory to another, we recommend that you (a) obtain independent estimates from third-party vendors, (b) research applicable regulations and their impact on your costs and operations and (c) carefully evaluate the adequacy of your total financial resources and reserves.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Goods and Services Required to be Purchased or Leased

Advertising and Marketing. You must use advertising material from us, a vendor that we designate, or we must approve the advertising in writing, prior to its use.

Background Checks. You must purchase teacher background checks through us.

Computers, Software, and Subscriptions. We require you to use such computer hardware, software, subscriptions, and systems as we specify, which may include vendor designations.

Insurance. You must obtain and maintain insurance policies protecting you, us and our affiliate, The Starz Program, LLC, and the members, managers and officers of both companies as additional insureds on a primary non-contributory basis to the general liability policy and the auto liability policy.

The insurance must be underwritten by insurers licensed and admitted to write coverage in the state in which your territory is located and with a rating of "A" or better. These policies must include comprehensive general liability coverage with limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate and a deductible of no more than $5,000. They also include motor vehicle liability coverage of not less than $1,000,000, on each owned, non-owned or hired vehicle used in connection with the business. You and your insurers must agree to waive rights of subrogation against us. At least 10 days before you are required to carry insurance, and

after that at least 30 days before the expiration of any policy, you must deliver to us certificates of insurance evidencing the proper types and minimum amounts of required coverage, and evidence of the waiver.

Inventory. Among the items we require you to maintain in inventory are teacher badges, business cards, T shirts, and brochures and other promotional materials. We also require that you maintain an adequate inventory of footballs, soccer balls, basketballs, T-balls, volleyballs, floor hockey sticks, cheer pom poms, megaphones and similar items. You must purchase signage, certain branded items, teacher badges, and teacher uniforms from us and the remaining items pursuant to our specifications, which may include a vendor designation.

Vehicle. You will need a vehicle to operate the franchised business. You may use any vehicle of your choice. The start-up equipment and supplies should fit comfortably in any mid-sized car. We assume that you already own a vehicle and that it is in good working order. We assume that you will use that vehicle and that you will not need to purchase a vehicle specifically for the operation of the franchised business. You must keep your vehicle in good maintenance and repair. Your vehicle may prominently display the Starz Program trademarks, provided they are used correctly, and the vehicle is maintained in good appearance, as we determine in our sole discretion. If your use of the trademarks on your vehicle does not comply with these specifications, you must remove them at your expense. Additional sales, advertising or display information can be placed on the vehicle only if you first obtain our written approval.

Whether we or our Affiliates are Approved Suppliers:

We are currently an approved supplier of advertising material but not the only approved supplier of such items. We are a supplier, and the only approved supplier, of signage, certain branded items, teacher uniforms, teacher badges, and teacher background checks.

Officer Interests in Suppliers:

Our officer, Sophia Wastler, owns an interest in us.

Alternative Suppliers:

In some cases, you may wish to purchase required goods or services from a supplier that has not been previously approved by us. We do not maintain written criteria for approving supplier, so these criteria are not available to you or your proposed supplier. To obtain our approval, you must submit such information as we may reasonably require, allowing us to evaluate the prospective supplier. We will evaluate the submitted information without charge to you and we will notify you whether we approve or disapprove the proposed supplier or product. We will endeavor to notify you within 30 days after we receive your request. We may grant, deny or revoke our approval for any reason or for no reason at all. Except as stated here, we have no other process for approving suppliers.

We will provide you with our manuals and various supplemental bulletins and notices that will contain the specifications, standards and restrictions on your purchase of products and services, and a list of designated and approved suppliers.

If we revoke approval for a supplier, we will provide written notice to you.

Issuance and Modification of Specifications:

We issue and modify specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

Revenue from Required Purchases:

In our fiscal year 2024, we did not earn any revenue or other material consideration from required franchisee purchases or leases.

In our last fiscal year, our affiliates did not earn revenue or other material consideration from required purchases or leases by franchisees.

Required Purchases as a Proportion of Costs:

We estimate that approximately 90% of your expenditures for leases and purchases in establishing your franchised business and 40% of your expenditures in operating the franchised business on an ongoing basis will be for goods and services that are subject to sourcing restrictions, meaning goods and services that must be from a designated or approved supplier or otherwise meet our standards or specifications.

Supplier Payments to Us:

Designated suppliers may make payments to us from franchisee purchases.

In the fiscal year ended December 31, 2024, we did not yet receive any supplier rebates but reserve the right to receive supplier rebates in the future.

Purchasing or Distribution Cooperatives:

At this time, we do not have any purchasing or distribution cooperatives.

Purchase arrangements:

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

Material Benefits:

We do not provide material benefits to you based on your use of a particular supplier. However, when your franchise is up for renewal, to continue your franchise rights, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

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	*Sections in the Franchise Agreement*	*Disclosure Document Item*
a. Site selection and acquisition/lease	Section 1.2.2	Items 11 and 12
b. Pre-opening purchases/leases	Sections 1.2.3, 1.3 and 1.6	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 1.2, 1.3, 1.5 and 1.6	Item 11
d. Initial and ongoing training	Section 1.5	Item 11
e. Opening	Section 1.2.3 and 1.2.4	Item 11
f. Fees	Section 2.1, 2.2.3, 2.2.4, 5.2.2, 6.2.1, 7.13, Schedule 3 (Secs. 1.5 and 2.5)	Items 5, 6, 7
g. Compliance with standards and policies/operating manual	Sections 1.4, 1.6 and 1.7	Items 8, 11 and 16
h. Trademarks and proprietary information	Sections 1.4, 3.1 and 3.2	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.1.3 and 1.3.5	Item 16
j. Warranty and customer service requirements	Section 1.6	Item 11

Obligation	*Sections in the Franchise Agreement*	*Disclosure Document Item*
k. Territorial development and sales quotas	Section 1.7.1	Item 12
l. Ongoing product/service purchases	Section 1.3	Item 8
m. Maintenance, appearance and remodeling requirements	Section 1.2.2	Item 11
n. Insurance	Section 1.2.3.3, 2.1.5.5, 5.2.3.7, 6.3	Items 7 and 8
o. Advertising	Section 1.7	Items 7 and 11
p. Indemnification	Section 6.2	Item 13
q. Owner's participation / management / staffing	Section 1.5	Items 11 and 15
r. Records and reports	Sections 2.2.1 and 2.2	Item 11
s. Inspections and audits	Sections 1.16.12, 1.6.13, 2.1.5.6 and 2.2	Item 11
t. Transfer	Sections 2.1.5.3, Article IV, Schedule 3; Exhibit G (Consent to Transfer Agreement)	Item 17
u. Renewal	Section 5.1.2	Item 17
v. Post-termination obligations	Sections 3.2, 3.3.3 and 5.3	Item 17
w. Non-competition covenants	Section 3.3,	Items 16 and 17
x. Dispute resolution	Article VII	Item 17
y. Other: Personal Guaranty	Section 1.1.6 and Schedule 3	Item 15

Item 10
FINANCING

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

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

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

Before Opening

Before you open your franchised business, we will provide the following assistance:

1. We assign to you a non-exclusive territory. (Franchise Agreement, Sections 1.1.2 and 1.1.5.)

2. We provide to you the initial training described below in this Item 11. If you and your personnel need to travel, you will pay for your travel expenses. (Franchise agreement, Section 1.5.2.)

3. We provide a list of preschools, day care centers and Montessori schools in your territory. (Franchise agreement, Section 1.2.1.) We do not guarantee that the list will be entirely accurate.

4. We provide certain supplies, the cost of which is included in your initial fee. These materials include, but are not limited to, a starter pack of business cards, promotional items, t-shirts and so forth. We ship these items directly to you. (Franchise agreement, Section 1.2.5.)

5. We loan you one copy of the manuals that you will need to operate the business, or we make them available to you through our website or Internet portal. (Franchise Agreement, Section 1.4.1.) Exhibit E contains the Table of Contents to the Manuals. The Teacher's Manual contains approximately 58 pages and the Owner's Manual contains approximately 72 pages.

6. We provide such other assistance and support as we may deem necessary or desirable to facilitate the launch of your franchised business.

During Operation

During the operation of the franchised business, we will provide the following assistance:

1. We have the right, but not the obligation, to require the managing owner of your franchised

business to attend a national conference of Starz Program franchisees no more frequently than once each year. We charge a conference fee of $1,000 to offset cost of one conference each year. You must pay this fee whether or not you attend the conference (even though you are obligated to attend). You also will be responsible for your travel and living expenses. (Franchise agreement Section 1.5.5.)

2. We will provide updates to the operations manuals from time to time. (Franchise agreement, Section 1.4.1 and 1.4.2.)

3. We will review all promotional materials and advertising you wish to use. We must approve such materials in writing within 15 calendar days after you submit the materials to us. If you do not receive our written approval within 15 days after your submission for approval and our acknowledgment of receipt, it is deemed to be approved. (Franchise agreement, Section 1.7.3.)

4. We will provide promotional materials and advertising programs from time to time as we deem appropriate. (Franchise agreement, Section 1.7.3.)

5. If you request and if we approve, we will provide additional training at an agreed location. You will pay the travel, room, board, and the then-current daily fee for such services. (Franchise Agreement, Section 1.5.3.)

6. We conduct operational reviews and other quality control measures to ensure compliance with our standards and to recommend improvements. (Franchise agreement, Sections 1.6.12 and 1.6.13.)

7. We will maintain a website to advertise and promote Starz Program businesses. (Franchise agreement, Section 1.8.1.)

8. We may set minimum and maximum prices at which you must offer and sell products and services where such requirements are lawful. (Franchise agreement, Section 1.6.15.)

9. Our representatives will be available at all reasonable times to you for consultation by telephone concerning all aspects of operating the franchised business. We may charge you a reasonable fee plus expenses for providing on-site assistance at your request. (Franchise agreement, Section 1.5.4.) Our current fee for optional training is $350 per day.

10. We will review requests to purchase any brand or model of equipment, supplies, or other products or services that are not designated or approved by us. We will evaluate the proposed supplier or product and we will notify you whether we approve or disapprove the proposed supplier or product. We will endeavor to notify you within 30 days after we receive your request. We reserve the right to grant, deny or revoke our approval for any reason or for no reason at all. (Franchise Agreement, Section 1.3.3)

Advertising

Marketing Fund

At present, we do not have a Marketing Fund or collect Marketing Fees. If implemented, the Marketing Fund contributions will be paid to us in addition to any local advertising you choose to conduct in your local market. We reserve the right to implement this Marketing Fund upon 30 days' prior written notice to you.

We reserve the right to require you to pay up to 2% of Gross Sales per year in Marketing Fees into a Marketing Fund. Franchisor owned outlets do not have to contribute to the Advertising Fund but may do so. We administer the Advertising Fund. The Fund is not audited. Unaudited financial statements of the Advertising Fund will be made available to you upon written request.

In our last fiscal year ending December 31, 2024, we did not raise or spend any Marketing Fees.

If not all Advertising Fees are spent in the fiscal year they accrue, we will carry over those fees and apply them to the next fiscal year. We may use up to 10% of Marketing Fees to solicit new franchise sales. (Franchise Agreement, Section 17.2.8)

Local Advertising

You handle all advertising and marketing in your territory. (Franchise agreement, Section 1.7.2.)

We suggest that you consider advertising via direct mail (postcards and handwritten notes), email, community family night events, trade shows, and targeted social media. All of your advertising, promotion and marketing must be consistent with guidelines we issue from time to time.

We do not require you to spend any minimum amount of money on local advertising. We may, but are not obligated to spend any amount on advertising in your Territory.

You may develop local advertising materials for your own use, at your own cost, following advertising criteria that we establish. We must approve all advertising materials in advance. You must submit such advertising materials to us at least 30 days before you use them, and we will endeavor to approve or disapprove the materials within 15 days after we receive them from you. (Franchise agreement, Section 1.7.3.)

Advertising Councils and Cooperatives

We do not currently have an advertising council composed of franchisees that advises us on advertising policies. However, we have the right to form, change or dissolve franchisee advisory councils that can serve as advertising councils, and to select the members of any such council. (Franchise agreement, Sections 1.6.11 and 1.7.4.)

We do not currently require you to participate in any local or regional advertising cooperatives. However, we have the right to establish and coordinate cooperative advertising and sales programs, customer satisfaction programs and similar programs from time to time among Starz Program franchisees. We may require you to participate in such programs on an equitable basis with other participants, but we will not require you to spend in any year more than 1% of your company's gross sales on such programs. (Franchise agreement, Section 1.7.5.) If the geographic area of the cooperative advertising includes any of our own company-owned territories, we will also participate on an equitable basis.

Website

We maintain a system website to advertise, market and promote Starz Program to parents and schools and to promote the Starz Program franchise opportunity. (Franchise agreement, Section 1.8.1.)

We also maintain cloud access or file share for Starz Program franchisees where we post manuals and curricula, best practices, online training materials, financial benchmarking information and other information and resources of value to Starz Program franchisees. (Franchise agreement, Section 1.8.3.) We may also create social media pages, blogs or other venues for the Starz Program marketing or other uses.

While we encourage you to advertise through social media and by email in accordance with our guidelines, we do not permit you to establish a separate website for your franchised business. (Franchise agreement, Sections 1.7.6 and 1.7.7.)

We must approve all Internet advertising you do. We will endeavor to approve or disapprove such advertising within 15 days after we receive it from you. (Franchise agreement, Section 1.7.3.)

We will provide a Starz Program email account that we own and maintain. You and your personnel may use this account only for business purposes in accordance with the requirements in the operating manuals or as we otherwise state in writing. We will have access to your email account and we reserve the right to monitor your email account and all messages in our sole discretion. (Franchise agreement, Section 1.8.5.)

Site Selection

We expect that you will operate your franchised business from your home office, so we have no required site selection process. If you decide to work from a leased office, the location is entirely within your discretion and you agree to keep the Site and all fixtures, furnishings, signs, and equipment in the Site clean, safe and in good repair in accordance with the Manuals. You must give us prior notice of any relocation of the Site. (Franchise agreement, Section 1.2.2.)

We do not select or approve an area in which you select a site from which you will operate the franchised business. We recommend that you live within your territory, but there is no requirement that you do so. (See Item 12.) You may relocate at any time, but you must notify us of your new address and we may or may not grant you a different territory.

Time of Opening

We expect that you will be able to open for business within one month after you sign the franchise agreement. We require that you open for business within 90 days after the date of your franchise agreement. We may terminate the franchise agreement if you do not commence business within 90 days after the date of your franchise agreement. (Franchise Agreement, Sections 1.2.4 and 5.2.3.3.)

Computer and Point of Sale Systems

You must comply with our computer hardware and software specifications. (Franchise Agreement, Section 1.8.1, 1.6.3 and 2.2.1.). At present, we require you to have an internet connection, email, and the following hardware and software:

Hardware
A desktop or laptop computer with internet access, and a printer/copier/scanner.
Software
QuickBooks Online, Enrollsy, Dropbox

We assume that you already own a computer. The approximate cost of the computer hardware and software ranges from $1,500 to $2,500. You will also need to subscribe to monthly or yearly software subscriptions, email, customer services, and marketing services as we may require in the manual. Software subscriptions will be approximately $200 a month.

Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates. You must maintain your computer systems in good working order and must replace, update or upgrade your hardware systems as we require. There are no contractual limitations regarding the frequency or costs of required upgrades or updates relating to the computer system. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer systems is approximately $500 - $1,000.

Independent Access to Information. We have and you are required to provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information. There are no contractual limitations on our right to access the information. We have the

right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. If any of your databases are passcode protected, you will provide the code to us upon request. If, as part of a review of your business, we request a copy of any business records, you must send us at your expense these records within five business days of receiving our request. (Franchise Agreement, Section 2.2.2 and 2.2.6).

Training

We require you to participate in a three-to-five-day initial training course. The initial training course will take place at least two weeks before you begin to operate your franchised business and will be held in person at our headquarters in Richmond, Virginia, at your location, or virtually. We require that the managing owner complete the initial training to our satisfaction.

Sophia Wastler, Brittany Suria, and Megan Cowley will oversee the training program. We describe the nature of the Instructors' experience in Item 2.

We set forth the length of the Instructors' experience in the industry and with the franchisor below:

Instructor	**Years of Experience in the Field**	**Years of Experience with the Franchisor***
Sophia Wastler	26	21
Brittany Suria	12	12
Megan Cowley	15	15
Sara Antonacci	3	3

Any other trainers will be employees of our company or our affiliate with at least one year of experience in the subjects they teach and at least one year of experience working in our company or our affiliate.

This initial training takes place either in Richmond, Virginia, or at another location in the U.S. of our choosing. If you need to travel, you will pay for your travel expenses.

The cost of the initial training for up to two people is included in the initial franchise fee. If you choose to host your initial training at your location, you will be responsible for the daily charge of $350 per day plus travel and living expenses for each person traveling to your location for the training.

Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the system, the numbers of replacement personnel who need training and the timing of the scheduled openings of Starz Program franchises.

The instructional materials consist of our manuals and other materials we prepare for this

program, and may include videos, advertising materials and detailed protocols, checklists and reports.

The following table provides detailed information about the initial training program.

TRAINING PROGRAM

Subject	***Hours of Classroom Training***	***Hours of On-the-Job Training***	***Location***
The Starz Brand: Mission, Objectives, Principles, Our Story, Classes Offered & Class Observation	1	3	See Note 1
Marketing (basics, marketing strategies, materials, tracking), Demo Classes, Scheduling Classes & Online Resource Access	1-2	0-3	
Boosting Enrollments and Pulling Trials. Parent Exposure and Enrollment. Pulling Trials for Parent Pay Classes. Hiring/Onboarding. Adjusting the Schedule. Teaching and Classroom Management.	1-3	0-3	
Enrollsy Setup	1-2	0-2	
Interviewing, Marketing Follow-Up, Training Assessment; Start-up Checklist; Equipment Order; Final Overview	4-6	1-2	
Total	8-13 hours	4-13 hours	

Note 1- Training segments may be offered online, via phone, at our Virginia headquarters, or at another location we designate.

If we determine that your Managing Owner is unable to complete the training satisfactorily, we may terminate the franchise agreement. If we terminate the agreement during or immediately after your training is complete, we will refund 50% of the initial fee.

We may also offer online training comprised of videos and text that cover all the details to run a Starz Program franchised business.

If any review indicates noncompliance with any system standards or if we receive negative customer feedback, we may require you to attend refresher training courses at such times and locations as we designate, and we may send our personnel to your franchised business for training.

In these cases, we may also charge a fee of $350 to $400 per day plus travel and living expenses for each person we send. (Franchise agreement, Section 1.5.3.)

Item 12
TERRITORY

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

You will be granted a specific territory in which to operate your franchised business, which will encompass a geographic area with a minimum population of 150,000 and maximum population of 200,000 people. We will define the geographic boundaries of your territory by either zip codes, county lines, or otherwise as we deem appropriate. The territory may encompass additional potential locations (including recreation and fitness centers, public pre-schools and the like). The territory will not change, although the number of schools within the boundaries may change over time.

In order to maintain your territory, we require that you meet certain minimum requirements. Specifically, by the end of each year below, based on opening date of the franchised business, you must meet or exceed the following for each territory granted:

Year 1:	30 Students or $20,000 in gross sales
Year 2:	60 Students or $40,000 in gross sales
Year 3:	95 Students or $65,000 in gross sales
Year 4:	125 Students or $90,000 in gross sales
Each year thereafter:	125 Students or $100,000 in gross sales

If you fail to meet or exceed the foregoing minimum requirements, we reserve the right to conduct local marketing efforts, at your expense, or terminate the franchise agreement.

We retain the right to offer and sell any products or services on our website under the Starz Program trademark or other marks, and we may sell products and services through other channels of distribution. If we receive a request to provide Starz Program services in your territory, we will generally refer prospective customers to you, but we are not obligated to refer the prospective customer to you.

We retain the right to sell "Independent Location" or single location franchises in your territory. We also retain the right to offer the Starz Program services to regional and national accounts that may have locations in your territory. If we negotiate an arrangement that would require us to provide services at a location in your territory, we will give you the opportunity to provide those services in a manner and under the terms we require. If you decline to provide the services under the terms we require we may provide or allow others to provide the services within the territory. We are not required to pay you any compensation if we sell products or services to customers in your territory.

Except as described in the preceding paragraph, we will not permit another franchisee, our affiliates or a company owned business to operate in your territory.

You may solicit customers or promote the Starz Program services outside of your territory. We allow you to operate in up to five schools, each in a different zip code near your territory provided those zip codes are not operated by other Starz franchises. However, if someone wishes to purchase a territory where you are operating outside of your territory, you will be required to cease operations in that school. If you wish to operate in more than three schools in a zip code outside of your territory, you will be required to purchase the territories encompassing those schools and zip codes. If you receive a request to provide services at a location in another franchisee's territory, you must refer the request to the other franchisee in the manner we specify. If you receive a request to provide services anywhere outside your territory, but not within another franchisee's territory, you may not provide such services without our prior approval.

We encourage you to advertise through social media and by email in accordance with our guidelines. But you may not own an Internet domain name that includes any of our trademarks. We must approve all Internet advertising you do. We will endeavor to approve or disapprove such advertising within 15 days after we receive it from you.

We have no 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. However, in the event that we merge with, acquire or are acquired by another company that competes with us, we and our affiliates reserve the right to offer and sell and authorize others to offer and sell competing products and services under any other names and marks while your franchise agreement is in effect.

You do not receive the right to acquire additional franchise territories unless you enter into a separate franchise agreement with us or an amendment to your existing franchise agreement. You may not relocate the franchise. You may not purchase more than four territories at the time that you purchase your first franchise. If we grant you another territory, we may require you to sign the then-current franchise agreement, which may have terms significantly different from the agreement or agreements you have already signed.

Item 13
TRADEMARKS

We grant you the right to operate a franchise under the name STARZ PROGRAM and the logo shown on the cover of this disclosure document. You may also use our other current or future Marks in the operation of your franchise. By Marks we mean trade names, trademarks, service marks and logos used to identify your franchised business.

Our affiliate, The Starz Program, LLC, owns the following trademarks, which are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	*Registration No.*	*Registration Date*
STARZ PROGRAM	4,995,968	July 12, 2016
	4,995,969	July 12, 2016

Our affiliate, The Starz Program, LLC, has filed all required affidavits and renewals.

We have a license from The Starz Program, LLC, to use the Mark in our franchise business. The license remains in effect as long as we remain an affiliate of The Starz Program, LLC.

There are no other agreements currently in effect that significantly limit our right to use or license the trademarks in any manner material to the franchise. We know of no infringing uses that could materially affect your use of the Marks.

There are no determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending interference, opposition or cancellation proceedings or pending material litigation involving any of the Marks that is relevant to their ownership or use in the states in which the franchised business is to be located.

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You are not permitted to communicate with any person other than us or our designated affiliate, their counsel and your counsel involving any infringement, challenge or claim. We can take action and have the right to exclusively control any litigation or Patent and Trademark Office or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks. You must execute any and all documents, and do what may, in our counsel's opinion, be necessary or advisable in any litigation or Patent and Trademark Office or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity having an interest in the Marks.

Except as stated above, we are not obligated by the franchise agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. In addition, you may not directly or indirectly contest the validity of our rights in and to the Marks.

You may not own a domain name that includes the words "Starz Program." You must use only such email addresses as we authorize, and you must comply with policies we establish from time to time for your use of email and any file share platform we create.

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute Marks if we determine that an addition or substitution will benefit Starz Program franchise system.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any patents that are material to your franchised business or the Starz Program franchise system.

We and our affiliate claim all rights and interests, including all copyrights, to:

- the Starz Program manuals,
- the substance, design, organization, and presentation of all curricula and class material we provide to you,
- Starz Program advertising materials,
- the Starz Program website,
- all social media and blog content posted by us or by you,
- all our communications to you in writing or otherwise setting forth our standards, requirements, operating procedures or policies relating to the operation of a Starz Program franchise, and
- any revisions and additions to the above materials.

We have not registered the copyrights in any of these materials.

Proprietary Information

Your knowledge of the operation of the franchised business, including the specifications, standards and operating procedures, is derived from information that we disclose to you. This information, including the information contained in the manuals and the information presented during training, is confidential material owned by us and our affiliates. Our confidential information includes our curricula; our sales and marketing techniques; our planned marketing and advertising programs; the content of our training and assistance; the contents of the manuals; the operating results and financial performance of other Starz Program franchisees; all customer lists

and other information we receive from you; and usernames and passwords allowing access to protected areas on our website or computer network.

You must maintain the absolute confidentiality of this proprietary information during and after the term of the franchise agreement and you cannot disclose, sell or use any such information in any other business or in any manner not specifically authorized or approved in writing by us. You may use such information only in furtherance of the franchised business.

Each person who receives training from us or otherwise has access to our confidential information, and each owner of your business, if you are a legal entity, must sign a written agreement that contains similar nondisclosure obligations. (See Item 15.)

You must notify us promptly in writing if you learn about any unauthorized use of our copyrights or proprietary information. We are not obligated to take any action, but we will respond to this information as we deem appropriate.

All improvements in Starz Program system and curricula that you develop will become our property. We will have the sole right to protect such improvements in our name or in the name of any of our affiliates by means of copyright, patent, trade secret or trademark law. You must promptly disclose all such improvements to us.

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

Before you begin operation of your franchised business, we require that the managing owner of your company attend and complete our initial training described in Item 11. One additional person may attend the initial training without any added charge.

We require that your franchised business is always managed and directly supervised by the managing owner. Your franchised business must be operated at all times by at least one person who has attended and successfully completed our initial training. One person from your company who has attended our initial training must be designated as the person responsible for training all of your staff and ensuring that the Starz Program quality is maintained in the franchised business.

You will provide to us, upon our request, a list of names, addresses and phone numbers of all of your employees and instructors. We require that you run a background check, including a criminal search, on each individual you employ or engage to operate the franchised business. You will bear the expense of these background checks. You must perform new background checks and searches annually, and you must provide us with the results of all such background checks and searches within ten days after their completion. We reserve the right to do background checks, including criminal searches, on all owners and managers of the franchised business.

If you are a legal entity such as a corporation or limited liability company rather than an individual or general partnership, then each owner of your company must sign a guaranty and assumption of obligations in the form of Schedule 3 to the franchise agreement.

Each manager of your franchised business and each person who receives training from us or otherwise has access to our confidential information who has not signed the guaranty described in the preceding paragraph must sign a written confidentiality and noncompetition agreement with your company in the form we require. Any breach of such undertaking by any such person will be deemed a material breach of the franchise agreement and may result in termination of the franchise agreement. We will be a third-party beneficiary under each such agreement, giving us the right to seek remedies directly against the employee or contractor.

We do not impose any other restrictions on your managers.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may not sell in the franchised business any products or services we do not specify or approve. Upon notice from us given at any time, you must discontinue offering for sale any items, products or services we may disapprove or discontinue.

We will indicate to you in the manuals which of our programs we require you to offer and which, if any, are optional. We will also indicate which products, if any, you must offer to customers.

We can, and expect to, modify our products and services as we deem necessary or desirable. There are no limits on our right to do so except that we must act reasonably.

Item 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	***Section in the Franchise Agreement***	***Summary***
a. Length of the franchise term	Section 5.1.1	FA: Ten years. But you may terminate without cause after the franchise agreement has been in effect for at least five years. (See

Provision	*Section in the Franchise Agreement*	*Summary*
		"Termination by you" in section d below.).
b. Renewal or extension of the term	Section 5.1.2	FA: Upon expiration of the initial term, you may renew for a term of up to ten years.
c. Requirements for franchisee to renew or extend	Sections 2.1.5.8 and 5.1.2; Schedule 7	FA: Notify us of your desire to renew 6-12 months before the end of the term; and sign a new franchise agreement which may contain materially different terms and conditions than your original contract. We may require you to sign a release, subject to state law. You must also pay a renewal fee equal to 20% of the then-current initial franchise fee.
d. Termination by franchisee	Section 5.2.1	You may terminate if we materially breach the franchise agreement and fail to cure after notice from you. You may terminate without cause and without penalty or liquidated damages, upon at least six months' notice to us, after the franchise agreement has been in effect for at least five years.
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	Sections 5.2.3 and 5.2.4	We can terminate only if you default.
g. "Cause" defined — defaults that can be cured	Section 5.2.4	You have 30 days to cure breaches other than non-curable breaches described in Provision "h" below.
h. "Cause" defined — non-curable defaults	Section 5.2.3	Misrepresentation to us; failure to open the business within the required time; failure to make payments on time even after notice; unauthorized disclosure of confidential information; unauthorized use of Marks; attempted transfer without our approval; failure

Provision	*Section in the Franchise Agreement*	*Summary*
		to pay taxes; failure to maintain insurance; criminal conviction; insolvency; failure to allow our representatives to inspect and observe operations and records; failure to remove objectionable content on social media; maintaining false books or records; abandonment of the business; failure to perform annual background checks; failure to pay taxes; default under another Starz Program franchise agreement; damage to our goodwill.
i. Franchisee's obligations on termination /non-renewal	Section 5.3	Obligations include complete deidentification, return of manuals and payment of amounts due. (See also Provisions "o" and "r" below.)
j. Assignment of contract by franchisor	Section 4.1	No restriction on our right to assign.
k. "Transfer" by franchisee — defined	Section 4.2.2	Includes transfer of contract or assets or ownership change.
l. Franchisor approval of a transfer by franchisee	Section 4.2.1; Exhibit G (Consent to Transfer Addendum)	We may withhold our approval to a transfer unless the conditions in Provision "m" below have been met.
m. Conditions for franchisor approval of the transfer	Sections 2.1.5.3 and 4.2.4	The transferee meets our criteria for Starz Program franchisees; you are in compliance; you pay a transfer fee equal to the then-current initial fee; transferee signs new form of franchise agreement; you acknowledge continuing confidentiality and noncompete requirements; we approve the terms of the transfer; you notify us of the closing.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 4.3	We can match any offer to purchase your business.

Provision	*Section in the Franchise Agreement*	*Summary*
o. Franchisor's option to purchase franchisee's business	Not applicable	We may be required to purchase certain of your assets under state law.
p. Death or disability of franchisee	Sections 4.2.6 and 4.2.7	The estate or personal representative must assign the franchise to an approved buyer within 6 months in the event of death or disability.
q. Non-competition covenants during the term of the franchise	Section 3.3.2	No competing business in the U.S. or in any other country in which a Starz Program business operates.
r. Non-competition covenants after the franchise is terminated or expires	Section 3.3.3	No competing business for two years (including after assignment) within 5 miles of any Starz Program territory at the time the franchise is terminated or expires.
s. Modification of the franchise agreement	Sections 1.4 and 7.14	No modifications generally unless signed by the parties, but the manual is subject to change.
t. Integration/merger clause	Section 7.14	Only the terms of the signed agreements are binding (subject to applicable law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. Our integration/merger clause does not disclaim the representations in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 7.11	Except for certain claims and except as otherwise required by state law, all disputes must be arbitrated.
v. Choice of forum	Sections 7.11 and 7.12	Arbitration and litigation must be in Richmond, Virginia (subject to applicable state law).
w. Choice of law	Section 7.10	Virginia law applies (subject to applicable state law).

Item 18
PUBLIC FIGURES

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

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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.

Financial Performance Representation #1- Company Outlets

Below we present a Historical Financial Performance Representation ("FPR") for our corporate outlet for the first three quarters of 2025. In the chart below, Average Monthly Gross Sales means total gross sales derived from services less any discounts and refunds. Average cost of expenses includes all costs incurred to operate the outlet, such as school givebacks, wages, and vendor costs. Profit means Gross Sales minus the Average Costs of Expenses. The location was operated part-time and at times the location would operate at only a few hours per week based on the school year in session and summer.

Company Outlet-January 1, 2025-September 30, 2025	
Monthly Gross Sales:	**$17,026.00**
Monthly Costs of Expenses:	**$5,231.00**
Monthly Net Profit:	**$11,795.00**
Less Expense Adjustments that would be incurred if this were a franchised outlet:	
Monthly Royalty (8%):	*$1,362.08*
Convention Fee:*	*$0.00*
Adjusted Monthly Net Profit:	**$10,432.92**

*This fee is not being charged at this time but may be implemented in the future.

There are material differences between the data of the company-owned outlet in the above and an outlet that may be offered to prospective franchisees. The company-owned outlet in the data above has a territory that is twice the size of the territory that is offered to prospective franchisees under this FDD. Further, outlet has been operating since the inception of the Starz program in 2005.

Financial Performance Representation #2- Franchisee Outlets

Below we present a Historical Financial Performance Representation ("FPR") of monthly data for our five franchised outlets for the first three quarters of 2025.

In the chart below, Monthly Gross Sales means total gross sales derived from services less any discounts and refunds. Monthly Expenses includes all costs incurred to operate the outlet, such as school givebacks, royalty, wages, and vendor costs. Net Profit means Gross Sales minus the Average Costs of Expenses. Further, the owners of these outlets work part-time 20 hours per week or less.

Franchise Outlets- January 1, 2025-September 30, 2025	
Average / Median Monthly Gross Sales:	**$13,617.85 / $7709.26**
Average / Median Monthly Expenses:	**$3,076.34 / $2,105.02**
Average / Median Monthly Net Profit:	**$10,541.50 / $5,609.26**
Number of Units That Attained or Surpassed Average Monthly Gross Sales	**2**
Percentage of Units That Attained or Surpassed Average Monthly Gross Sales	**40%**
Highest Monthly Gross Sales:	**$29,637.25**
Lowest Monthly Gross Sales:	**$4,166.56**

One of the franchised outlets has a territory that is twice the size of the territory that is offered to prospective franchisees under this FDD.

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

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

Other than the preceding financial performance representation, 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 Sophia Wastler at Starz Program Worldwide LLC, 10307 W. Broad St., #121, Richmond, VA 23060, telephone 1-877-897-8279, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2022 to 2024

Outlet Type	*Year*	*Outlets at the Start of the Year*	*Outlets at the End of the Year*	*Net Change*
Franchised	2022	4	3	-1
	2023	3	2	-1
	2024	2	4	+2
Company-Owned	2022	2	2	0
	2023	2	2	0
	2024	2	1	-1
Total Outlets	2022	6	5	-1
	2023	5	4	-1
	2024	4	5	+1

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

State	*Year*	*Number of Transfers*
Virginia	2022	0
	2023	0
	2024	1
Total	2022	0
	2023	0
	2024	1

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Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

*State**	*Year*	*Outlets at Start of Year*	*Outlets Opened*	*Termi-nations*	*Nonre-newals*	*Reac-quired by Franchi-sor*	*Ceased Op-erations – Other Rea-sons*	*Outlets at End of the Year*
FL	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	1	0
	2024	0	1	0	0	0	0	1
NC	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
VA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Total	2022	4	0	0	0	0	1	3
	2023	3	0	0	0	0	1	2
	2024	2	2	0	0	0	0	4

Table No. 4
Status of Company-Owned Outlets*
For Years 2022 to 2024

State	*Year*	*Outlets at Start of the Year*	*Outlets Opened*	*Outlets Re-acquired From Fran-chisee*	*Outlets Closed*	*Outlets Sold to Franchi-see*	*Outlets at End of the Year*
VA	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	1	1
Total	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	1	1

*Company-owned outlet refers to outlets operated by our affiliate, The Starz Program, LLC.

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Table No. 5
Projected Openings as of December 31, 2024

State	*Franchise Agreements Signed But Outlet Not Open*	*Projected New Franchised Outlets in the Next Fiscal Year*	*Projected New Company-Owned Outlets in the Next Fiscal Year*
Maryland	0	1	0
Virginia	0	1	0
TOTALS	0	2	0

Exhibit C1 lists the names of all current Starz Program franchisees and the addresses and telephone numbers of their outlets as of the date of our last fiscal year end, December 31, 2024.

Exhibit C2 lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Restrictions on Ability to Speak. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

Item 21
FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements for our fiscal years ended December 31, 2024, 2023, and 2022. Our fiscal year ends December 31.

Item 22
CONTRACTS

The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

F. Franchise Agreement
Schedule 1 - Territory
Schedule 2 – Franchisee Information
Schedule 3 – Guaranty

Schedule 4 – Electronic Funds Transfer Authorization
Schedule 5 – State Addenda to the Franchise Agreement

G. Consent to Transfer Agreement

H. General Release

Item 23
RECEIPTS

Exhibit J contains two copies for your use to acknowledge your receipt of this disclosure document.

EXHIBIT A

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 5 is modified to also state:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Item 17.u. is modified to also provide, "This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

3. No release required as a condition of renewal, sale, assignment or transfer will apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

5. 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.

VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

2. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT B
State Administrators and Agents for Service of Process

State	State Administrator	Agent for Service of Process
California	The Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 651 Bannon Street, Suite 300 Sacramento, CA 95811 1-866-275-2677 1455 Frazee Rd, Suite 315 San Diego, CA 92108 One Sansome St, Suite 600 San Francisco, CA 94104 (866) 275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street,	Secretary of State, Securities Division 302 West Washington Street,

	Room E-111 Indianapolis, IN 46204 (317) 232-6681	Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 335-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1526 K Street, Suite 300 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510

Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9500	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State Statutory Document Section P.O. Box 13193 Austin, TX 78711 (512) 475-0775	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising, 9th Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Washington State Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608)-266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT C1

LIST OF FRANCHISEES

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of our last fiscal year end.

Operational Outlets:

State	***Franchisee Name***	***Contact Name***	***Territory***	***Phone***
FL	JKM Kid Classes, LLC	Jessica Miller	Broward County	412-463-8425
NC	Tierra Davis Talley	Tierra Davis Talley	Lake Norman	828-775-9744
VA	NovaBos, Endeavors, LLC	Jade Bocek	Alexandria	919-394-1732
VA	Shine RVA LLC	Sarah Farmer	Richmond	310-801-1438

Franchise Agreement Signed but Outlet Not Yet Open:

None

EXHIBIT C2

FORMER FRANCHISEES

The following is a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

LisLes LLC, Lisa Nemeth, Alexandria, VA, 919-394-1732 (Transfer)

EXHIBIT D

FINANCIAL STATEMENTS

Starz Program Worldwide, LLC

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

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

1312 Norwood Dr STE 100, Bedford, Texas 76022

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

Independent Auditor's Report

To the members of
Starz Program Worldwide, LLC

Opinion

We have audited the accompanying financial statements of Starz Program Worldwide, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of operations, members' 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 Starz Program Worldwide, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raises substantial doubt about Starz Program Worldwide, LLC ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

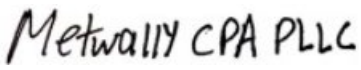
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Starz Program Worldwide, LLC 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, which raise substantial doubt about Starz Program Worldwide, LLC ability to continue as a going concern for a reasonable period of time.

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



Metwally CPA PLLC
Bedford, Texas
January 30, 2025

Starz Program Worldwide, LLC
Balance Sheets
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 22,812	$ 23,491
Accounts receivable	41,584	530
Deferred commission, current portion	2,625	-
Total Current Assets	**67,021**	**24,021**
Non-Current Assets		
Deferred commission, net of current portion	21,000	-
Total Non-Current Assets	**21,000**	**-**
Total Assets	**$ 88,021**	**$ 24,021**
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Deferred revenue, current portion	$ 7,204	$ -
Total Current Liabilities	**7,204**	**-**
Long-Term Liabilities		
Deferred revenue, net of current portion	57,632	-
Total Long-Term Liabilities	**57,632**	**-**
Total Liabilities	**64,836**	**-**
Members' Equity		
Members' equity	23,185	24,021
Total Members' Equity	**23,185**	**24,021**
Total Liabilities And Members' Equity	**$ 88,021**	**$ 24,021**

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

Starz Program Worldwide, LLC
Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Initial franchise fees	$ 38,079	$ -
Royalties	17,820	16,102
Total Revenues	**55,899**	**16,102**
Operating Expenses		
Legal and professional	15,596	3,740
General and administrative	10,668	5,129
Marketing and advertising	4,761	1,114
Commission expense	2,625	-
Total Operating Expenses	**33,649**	**9,983**
Net Income / (Loss)	**$ 22,250**	**$ 6,119**

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

Starz Program Worldwide, LLC
Statements of Members' Equity
Years Ended December 31, 2024 and 2023

Members' Equity At December 31, 2022	**$**	**33,064**
Net income (loss)		6,119
Members' distributions		(15,162)
Members' Equity At December 31, 2023	**$**	**24,021**
Net income (loss)		22,250
Members' distributions		(23,086)
Members' Equity At December 31, 2024	**$**	**23,185**

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

Starz Program Worldwide, LLC
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Net income / (loss)	$ 22,250	$ 6,119
Adjustments to reconcile net income to net cash provided by operating activities		
Change in assets and liabilities		
Accounts receivable	(41,054)	534
Prepaid expenses	-	800
Deferred commission	(23,625)	-
Deferred revenue	64,836	-
Net Cash Provided By (Used In) Operating Activities	**22,407**	**7,453**
Cash Flows From Investing Activities		
Net Cash Flows Provided By (Used In) Investing Activities	**-**	**-**
Cash Flows From Financing Activities		
Members' distributions	(23,086)	(15,162)
Net Cash Flows Provided By (Used In) Financing Activities	**(23,086)**	**(15,162)**
Net Change In Cash And Cash Equivalent During The Year	**(679)**	**(7,709)**
Cash and cash equivalent - beginning of the year	23,491	31,200
Cash And Cash Equivalent - End of The Year	**$ 22,812**	**$ 23,491**

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

Starz Program Worldwide, LLC
Notes To Financial Statements
December 31, 2024 and 2023

1. COMPANY AND NATURE OF OPERATIONS

Starz Program Worldwide, LLC (the Company) was established in the state of Virginia as a limited liability Company on January 5, 2017, for the purpose of offering franchise opportunities to entrepreneurs who want to develop and operate a children's fitness and skills development program business. The Company offers qualified individuals the right to operate a business that provides services for children ages 2 through 12 including sports, dance, cheerleading and related educational enrichment under the "Starz Program Worldwide" mark. The Company offers individual unit Office franchises and area development franchises for the development of multiple Offices within a designated territory.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

B. Cash and Cash Equivalents

For purposes of the Statement of cash flows, cash equivalents include bank accounts and cash in transit for bank deposits with maturities of three months or less to be cash equivalents.

C. Accounts Receivable

Accounts Receivable arise primarily from initial franchise fees and royalties and are carried at their estimated collectible amounts, net of any estimated allowances for doubtful accounts. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, existing economic conditions, and other relevant factors. The Company has determined that no allowance for doubtful accounts was necessary on December 31, 2024 and 2023.

D. Federal Income Taxes

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

E. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the years, the total amount on deposit might exceed the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

F. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

G. Advertising and Marketing

Advertising and marketing costs are charged to operations in the years incurred.

H. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

Franchise Fees

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilize ASC 606 five-steps revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark, and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay monthly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following various sources: The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period of time using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned overtime as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales, less any amount paid towards sales tax, payable weekly.

Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized as expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

I. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements and determined that it doesn't have any lease that meet the requirement to recognize a right-of-use asset and liability because the Company doesn't have any long-term leases.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2024 and 2023, the Company's cash balance didn't exceed the FDIC insurance limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in cash.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2024 and 2023, the Company had approximately $22,812 and $23,491 in cash in its bank accounts, respectively.

4. ACCOUNTS RECEIVABLE

At the years ended December 31, 2024 and 2023 accounts receivable consisted of the following:

	2024	2023
Initial franchise fees' receivable	$ 41,000	$ -
Royalties' receivable	584	530
Total Accounts Receivables	**$ 41,584**	**$ 530**

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Information regarding revenues disaggregated by the timing of when goods and services are transferred consists of the following for the years ended December 31:

	2024	2023
Revenue recognized over time	$ 38,079	$ -
Revenue recognized at a point in time	17,820	16,102
Total Revenue	**$ 55,899**	**$ 16,102**

Contract Balances

The following table provides information about the change in the franchise deferred expenses balances during the years ended December 31, 2024 and 2023:

	2024	2023
Beginning Balance	$ -	$ -
Additional deferred expenses	26,250	-
Expenses recognized – additional deferred expenses	(2,625)	-
Deferred expenses	**23,625**	**-**
Less: current maturities	(2,625)	-
Deferred expenses, net of current maturities	**$ 21,000**	**$ -**

Contract Balances

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

	2024	2023
Beginning Balance	$ -	$ -
Additional deferred revenue	102,915	-
Revenue recognized – additional deferred revenue	(38,079)	-
Deferred revenue	**64,836**	**-**
Less: current maturities	(7,204)	-
Deferred revenue, net of current maturities	**$ 57,632**	**$ -**

6. ADVERTISING EXPENSES

Advertising costs for the years ending December 31, 2024 and 2023, were $4,761 and $1,114, respectively. These costs were expensed as incurred.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 30, 2025, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

Starz Program Worldwide, LLC

Independent Auditor's Report
And
Financial Statements
December 31, 2023, 2022 and 2021

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

1312 Norwood Dr STE 100, Bedford, Texas 76022

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

Independent Auditor's Report

To the Members of
Starz Program Worldwide, LLC
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of Starz Program Worldwide, LLC (a Virginia Limited Liability Company), which comprise the balance sheets as of December 31, 2023, 2022 and 2021 and the related statements of operations, members' 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 Starz Program Worldwide, LLC as of December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Starz Program Worldwide, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

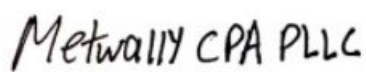
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Starz Program Worldwide, LLC 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, which raise substantial doubt about Starz Program Worldwide, LLC ability to continue as a going concern for a reasonable period of time.

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



Metwally CPA PLLC
Bedford, Texas
February 5, 2024

Starz Program Worldwide, LLC
Balance Sheets
December 31, 2023, 2022 and 2021

	2023	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents	$ 23,491	$ 31,200	$ 15,234
Accounts receivable	530	1,064	1,064
Prepaid expenses	-	800	800
Total Current Assets	**24,021**	**33,064**	**17,098**
Total Assets	**$ 24,021**	**$ 33,064**	**$ 17,098**
LIABILITIES AND MEMBERS' EQUITY			
Current Liabilities			
Total Liabilities	**$ -**	**$ -**	**$ -**
Members' Equity			
Members' equity	24,021	33,064	17,098
Total Members' Equity	**24,021**	**33,064**	**17,098**
Total Liabilities And Members' Equity	**$ 24,021**	**$ 33,064**	**$ 17,098**

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

Starz Program Worldwide, LLC
Statements of Operations
Years Ended December 31, 2023, 2022 and 2021

	2023	2022	2021
Revenues			
Royalty income	$ 16,102	$ 26,440	$ 26,196
Total Revenues	**16,102**	**26,440**	**26,196**
Operating Expenses			
General and administrative	8,489	3,591	4,759
Legal and professional	380	428	2,759
Advertising and marketing	1,114	384	-
Total Operating Expenses	**9,983**	**4,403**	**7,518**
Net Income (Loss)	**$ 6,119**	**$ 22,037**	**$ 18,678**

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

Starz Program Worldwide, LLC
Statements of Members' Equity
Years Ended December 31, 2023, 2022, and 2021

Members' Equity At December 31, 2020	**$**	**-**
Members' distributions		(1,580)
Net income (loss)		18,678
Members' Equity At December 31, 2021	**$**	**17,098**
Members' distributions		(6,071)
Net income (loss)		22,037
Members' Equity At December 31, 2022	**$**	**33,064**
Members' distributions		(15,162)
Net income (loss)		6,119
Members' Equity At December 31, 2023	**$**	**24,021**

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

Starz Program Worldwide, LLC
Statements of Cash Flows
Years Ended December 31, 2023, 2022 and 2021

	2023	2022	2021
Cash Flows From Operating Activities			
Net income / (loss)	$ 6,119	$ 22,037	$ 18,678
Adjustments to reconcile net income to net cash provided by operating activities			
Change in operating activities			
Change in accounts receivable	534	-	(1,064)
Change in prepaid expenses	800	-	(800)
Net Cash Provided By (Used In) Operating Activities	**7,453**	**22,037**	**16,814**
Cash Flows From Investing Activities			
Net Cash Flows Provided By (Used In) Investing Activities	**-**	**-**	**-**
Cash Flows From Financing Activities			
Members' distributions	(15,162)	(6,071)	(1,580)
Net Cash Flows Provided By (Used In) Financing Activities	**(15,162)**	**(6,071)**	**(1,580)**
Net Change In Cash And Cash Equivalent During The Year	**(7,709)**	**15,966**	**15,234**
Cash and cash equivalent - beginning of the year	31,200	15,234	-
Cash And Cash Equivalent - End of The Year	**$ 23,491**	**$ 31,200**	**$ 15,234**

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

Starz Program Worldwide, LLC
Notes To Financial Statements
December 31, 2023, 2022 and 2021

1. COMPANY AND NATURE OF OPERATIONS

Starz Program Worldwide, LLC ("the Company") was established in the state of Virginia as a limited liability Company on January 5, 2017, for the purpose of offering franchise opportunities to entrepreneurs who wants to develop and operate a children's fitness and skills development program business. The Company offers qualified individuals the right to operate a business that provides services for children ages 2 through 12 including sports, dance, cheerleading and related educational enrichment. The Company offers individual unit Office franchises and area development franchises for the development of multiple Offices within a designated territory.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

B. Cash and Cash Equivalents

For purposes of the Statement of cash flows, cash equivalents include bank accounts and cash in transit for bank deposits with maturities of three months or less to be cash equivalents.

C. Accounts Receivable

Accounts Receivable arise primarily from royalties and are carried at their estimated collectible amounts, net of any estimated allowances for doubtful accounts. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, existing economic conditions, and other relevant factors. The Company has determined that no allowance for doubtful accounts was necessary on December 31, 2023, 2022, and 2021.

D. Federal Income Taxes

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

E. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the year, the total amount on deposit did not exceed the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

F. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

G. Advertising and Marketing

Advertising and marketing costs are charged to operations in the year incurred.

H. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

Franchise Fees

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilize ASC 606 five-steps revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark, and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay monthly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following various sources: The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period of time using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable weekly.

Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized as expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

The Company was not offering franchises for the years ended December 31, 2023, 2022, and 2021.

I. Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses ("ASU 2018-19"), which clarifies that receivables arising from operating leases are accounted for using lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments ("ASU 2019-04"), which clarifies the treatment of certain credit losses. In May 2019, the FASB issued ASU No. 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief ("ASU 2019-05"), which provides an option to irrevocably elect to measure certain individual financial assets at fair value instead of amortized cost. In November 2019, the FASB issued ASU No. 2019-11, Codification Improvements to Topic 326, Financial Instruments - Credit Losses ("ASU 2019-11"), which provides guidance around how to report expected recoveries. ASU 2016-13, ASU 2018-19, ASU 2019-04, ASU 2019-05, and ASU 2019-11 (collectively, "ASC 326") are effective for fiscal year beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its financial statements.

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements and determined that it does not have any lease that meet the requirement to recognize a right-of-use asset and liability because the Company does not have any long-term leases.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2023, 2022 and 2021, the Company's cash balance didn't exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2023, 2022 and 2021, the Company had approximately $23,491, $31,200, and $15,234 in cash in its bank accounts, respectively.

The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in cash.

4. ACCOUNTS RECEIVABLE

At the years ended December 31, 2023, 2022 and 2021 accounts receivable consisted of the following:

	2023	2022	2021
Royalties' receivable	$ 530	$ 1,064	$ 1,064

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Information regarding revenues disaggregated by the timing of when goods and services are transferred consist of the following for the years ended December 31:

	2023	2022	2021
Revenue recognized over time	$ -	$ -	$ -
Revenue recognized at a point in time	16,102	26,440	26,196
Total Revenue	**$ 16,102**	**$ 26,440**	**$ 26,196**

6. ADVERTISING EXPENSES

Advertising costs for the years ended December 31, 2023, 2022 and 2021, were $1,114, $384 and $0, respectively.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 5, 2024, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

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Teachers Manual
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EXHIBIT F

FRANCHISE AGREEMENT

STARZ PROGRAM WORLDWIDE LLC

FRANCHISE AGREEMENT

FRANCHISEE:

TERRITORY:

DATE OF AGREEMENT:

STARZ PROGRAM WORLDWIDE LLC

FRANCHISE AGREEMENT

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STARZ PROGRAM WORLDWIDE LLC

FRANCHISE AGREEMENT

AGREEMENT effective as of _____, 20__ between STARZ PROGRAM WORLDWIDE LLC, a Virginia limited liability company (referred to in this Agreement as "we" or "us"), and _____, a _____ *[if entity, indicate type and state of formation]* (referred to in this Agreement as "you" or "your company").

The Starz Program is a franchised business that offers a fitness-based skill development program for children aged 2 through 12, encompassing sports, dance, cheerleading, creative movement, yoga (enriched flow), and fitness. The Starz Program is designed not only to promote physical health and skill building but also to support emotional development and help children strengthen their inner voice through confidence-building, creativity, and positive self-talk and expression. The Starz Program is offered at preschools, daycares, and early learning centers. Additionally, after-school classes are held at elementary schools, country clubs, and other facilities, providing a specialized, tailored program designed to complement and enhance the existing curriculum.

Each Starz Program business operates under the trademark STARZ PROGRAM, and we may create and use other trademarks in the future in conjunction with the operation of the Starz Program businesses (collectively, the "Marks").

You desire to establish and operate a Starz Program franchise, and we are pleased to grant the franchise to you on the terms and conditions set forth below.

Accordingly, you and we agree as follows:

ARTICLE I – GRANT AND OPERATION OF THE FRANCHISE

Section 1.1 – Grant

1.1.1 *Grant of Rights.* We grant to you the right, and you undertake the obligation, to operate a franchised Starz Program business in the geographic area described in Schedule 1 (the "Territory") in accordance with the System Standards (as defined in Section 1.4.1 below) and the terms and conditions contained in this Agreement. You may not operate your franchised Starz Program business (the "Franchised Business") outside of the Territory. You do not have the right to grant subfranchises or sublicenses of any of the rights granted under this Agreement. The grant of this franchise does not give you the right to receive additional franchises from us.

1.1.2 *Exclusivity.* Your granted Territory is non-exclusive, and you may face competition from other franchisees, outlets that we own, or from other channels of distribution or competitive brands that we control.

1.1.3 *Products and Services Offered.* You must offer and sell in the Franchised Business all products and services we specify. You may not sell under the Marks or in the Franchised Business any products or services we do not specify or approve for use with the Starz Program business. We may specify a new required product or service upon at least 30 days' prior notice to you. Upon notice from us given at any time, you must discontinue offering for sale any products or services we may disapprove or discontinue. You may not use any curricula other than our proprietary and copyrighted curricula we specify or provide. All modifications or customizations of the services or curricula must be first approved by us and will become our sole property. You may not create side businesses selling curricula or any type of business or marketing assistance to other franchisees. You may not re-brand or repackage our proprietary system or any part our proprietary system and market or sell it under a different brand or as a part of another system.

1.1.4 *No Marketing Outside the Territory*. You may solicit customers or promote the Starz Program services outside of your territory. We allow you to operate in up to five schools, each in a different zip code near your territory provided those zip codes are not operated by other Starz franchises. However, if someone wishes to purchase a territory where you are operating outside of your territory, you will be required to cease operations in that school. If you wish to operate in more than three schools in a zip code outside of your territory, you will be required to purchase the territories encompassing those schools and zip codes. If you receive a request to provide services at a location in another franchisee's territory, you must refer the request to the other franchisee in the manner we specify. If you receive a request to provide services anywhere outside your territory, but not within another franchisee's territory, you may not provide such services without our prior approval.

1.1.5 *Rights We Reserve.* We and our affiliates retain all rights not specifically granted to you under this Agreement. These rights include, without limitation, the right:

1.1.5.1 to establish Independent Location or single location Starz Program businesses, whether franchised or company owned, or regional or national account Starz Program's anywhere including in the Territory;

1.1.5.2 to offer and sell any products or services under the Marks through the System Website, in the Territory. We are not obligated to refer prospective customers to you;

1.1.5.3 to sell any products under the Marks and any other trademarks through other channels of distribution, within or outside the Territory;

1.1.5.4 to acquire and operate any business operating under a different trademark at any location and to continue to operate that business under trademarks other than the Marks; and

1.1.5.5 to offer the Starz Program products and services to regional and national accounts that may have locations in the Territory. If we negotiate an arrangement that would require us to provide services at a location in the Territory, we are not obligated to give you the opportunity to provide those services.

1.1.6 *Guaranty.* Our grant of this franchise is made in reliance on the personal attributes of your company's owners and managers named in Schedule 2. If your company is a legal entity such as a corporation or limited liability company rather than a sole proprietorship or general partnership, then our grant of this franchise is made on the condition that each person who now or later owns or acquires, either legally or beneficially, 10% or more of the equity or voting interest in your company (the "Guarantor" or "Guarantors"), must execute and deliver to us a guaranty and assumption agreement in the form attached as Schedule 3 (the "Guaranty"). If no person owns 10% or more, then persons approved by us whose combined equity interest is equal to or greater than 50% will be the Guarantors. If any owner is not an individual, we will have the right to have the Guaranty executed by individuals who have an indirect ownership interest in your company. Transfers of interest are restricted in accordance with Article IV. Upon our request at any time, you will furnish us with a list of all holders of legal and beneficial interests in your company, together with descriptions of the type of interests owned and percentage amounts, and the names, addresses, email addresses and telephone numbers of the owners, certified as correct in the manner we specify. If any of your company's general partners, managers, officers or directors ceases to serve as such or if any new person becomes a general partner, manager, officer or director after the date of this Agreement, you will notify us of such change within 10 days. Any breach of a Guaranty will be deemed to be a material breach of this Agreement and may result in termination pursuant to Section 5.2.

1.1.7 *No Assurance*. You acknowledge that neither our recommendation nor approval of the Territory nor any information regarding a prospective Territory we communicate to you constitutes a guarantee, assurance, representation or warranty of any kind, express or implied, as to the suitability of the Territory for a franchised Starz Program or of the successful operation or profitability of a franchised Starz Program. You acknowledge that your acceptance of the franchise is based on your own independent investigation of the suitability of the Territory.

1.1.8 *Minimum Requirements.* In order to maintain the territory granted to You herein, we require that You meet the minimum requirements. By the end of each year below, based on the opening date of the franchised business, you must meet or exceed the following for each territory granted:

Year 1:	30 Students or $20,000 in gross sales (as defined in Section 2.1.8)
Year 2:	60 Students or $40,000 in gross sales
Year 3:	95 Students or $65,000 in gross sales
Year 4:	125 Students or $90,000 in gross sales
Each year thereafter:	125 Students or $100,000 in gross sales

If you fail to meet or exceed the foregoing minimum requirements, we reserve the right to conduct local marketing efforts, at your expense, or terminate the franchise agreement.

Section 1.2 – Schools; Site; Opening

1.2.1 *RESERVED*

1.2.2 *The Site*. The "Site" is the location from which you operate the Franchised Business. The location of the Site is set forth in Schedule 2. The Site may be your home office or an Independent Location. You are not obligated to establish or maintain a commercial office as the Site. However, if you decide to do so, you agree to keep the Site and all fixtures, furnishings, signs, and equipment in the Site clean, safe and in good repair in accordance with the Manuals. You must give us prior notice of any relocation of the Site.

1.2.3 *Conditions to Opening.* While you may begin to market the Franchised Business upon our approval at any time after you sign this Agreement, you may not begin operating classes until:

1.2.3.1 the people described in Section 1.5.2 have completed the initial training to our satisfaction;

1.2.3.2 the initial franchise fee and all other amounts due to us has been paid in full;

1.2.3.3 you have furnished us with certificates of insurance and copies of all insurance policies or such other evidence of insurance coverage as we reasonably request; and

1.2.4.4 your teachers have completed training had cleared their background checks

1.2.4 *Time of Opening.* You agree to open your franchised Starz Program for business within 90 days after the date of this Agreement. We may terminate this Agreement pursuant to Section 5.2.3.3 if you fail to commence operation of the business within such 90-day period.

1.2.5 *Initial Supplies*. Before you open your franchised Starz Program for business, we will provide certain initial supplies to you, the cost of which is included in the initial fee. These materials include, but are not limited to, a starter pack of business cards and promotional items. We will also provide to you a list of approved suppliers for equipment, goods and services.

Section 1.3 – Supplies and Suppliers

1.3.1 *Supplies.* You agree to use in the operation of the Franchised Business only those brands and models of equipment, supplies, and other products and services that we have designated or approved for the Starz Program businesses as meeting our specifications and standards.

1.3.2 *Suppliers.* We may require that you obtain equipment, supplies and other products and services only from our designated or approved suppliers. We may negotiate purchase agreements with suppliers for the benefit of franchisees, but we are under no obligation to do so.

1.3.3 *Approval of Supplies and Suppliers.* If you propose to purchase any brand or model of equipment, supplies or other products or services that are not then designated or approved by us, or to purchase from any supplier that is not then designated or approved by us, you must first notify us and submit to us sufficient samples and other information we request to enable us to determine whether the proposed brand, model or supplier complies with our specifications and standards. We will evaluate the proposed supplier or product and we will notify you whether we approve or disapprove the proposed supplier or product. We will endeavor to notify you within 30 days after we receive your request. We reserve the right to grant, deny or revoke our approval for any reason or for no reason at all. We will not be required to approve any particular supplier nor to make available to any prospective supplier any of our standards or specifications.

1.3.4 *Purchasing or Distribution Cooperatives.* We may establish national or regional purchasing or distribution programs for the purchase or distribution of certain goods, materials or supplies at reduced prices. You agree to participate in any purchasing or distribution cooperatives that we may establish for the region where your Franchised Business is located.

1.3.5 *Unauthorized Products or Services.* You may not sell products or services in the Franchised Business that we do not authorize. In the event you sell unauthorized products or services and you continue to do so after your receipt of verbal or written notice from us advising you to cease your sale of such products or services, then in addition to our right to terminate this Agreement, we have the right to assess our then current prohibited product or service fee.

1.3.6 *Compensation from Suppliers.* We reserve the right to receive rebates, credits and other compensation from suppliers we designate or approve to provide goods or services to you based upon the purchases by you and other franchisees of goods and services from such suppliers. We may use such compensation for any purpose we deem appropriate, including to subsidize our operating costs. We may negotiate purchase agreements with suppliers for the benefit of franchisees, but we are under no obligation to do so. We are not obligated to pass on to you any discounts we receive from suppliers.

Section 1.4 – System Standards

1.4.1 *Curricula and Manuals; System Standards.* We will loan to you or give you online or other electronic access, during the term of this Agreement, to copies of such confidential Starz Program curricula (the "Curricula") and operations manuals (the "Manuals") that we generally furnish to franchisees for use in operating a Starz Program business. The Curricula and Manuals and the bulletins and other written materials we provide to you contain mandatory and suggested class curricula, specifications, standards, operating procedures, policies, methods and rules ("System Standards") that we prescribe for the operation of a Starz Program business and information relating to your other obligations under this Agreement. The Curricula and Manuals are and will remain at all times our sole property. You acknowledge that the Curricula and Manuals contain confidential information that is highly valuable to us and that you will protect the confidentiality of such information in accordance with Section 3.2. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Curricula or Manuals except as we may specifically authorize. You further agree to keep your copies of the Curricula and Manuals current at all times

with all updates and modifications we furnish to you, and to store each copy of the Curricula and Manuals received by you in a secure location at the premises of the Franchised Business. If a copy of any of the Curricula or Manuals in your possession or under your control, or any portion of such Curricula or Manuals, is lost, stolen, destroyed or significantly damaged, you agree to report such loss, theft, destruction or damage immediately to us. If we provide you with electronic access to the Curricula and Manuals, we may suspend your access during any period in which you are in default under the Franchise Agreement.

1.4.2 *System Modifications by Us.* We may modify or change the System Standards from time to time, and upon notice to you, we may make additions to, deletions from or revisions in the Manuals to reflect such modifications or changes. We may develop from new services and methods. Modifications or changes may also include the addition or discontinuation of products and services that you are required to sell in the Franchised Business, and periodic upgrading of supplies or equipment at your cost. No modification or change that we make will alter your fundamental status and rights under this Agreement. You agree to adopt or comply with each new or changed procedure, policy, method and requirement as promptly as practicable after notice from us, and in any event within the time period we reasonably require.

1.4.3 *System Modifications by You.* You agree not to implement any modification or change in the System Standards or in the Franchised Business, including changes in the programs you offer, without our prior written approval, which we may withhold in our discretion. If you or any of your staff makes an improvement to the System Standards or in the Franchised Business, such improvement will be our property. We will have the right to use such improvements anywhere and to authorize our affiliates and other franchisees to use them. You assign to us all rights to such improvements, and you agree to sign any documents and to require that your staff sign any documents that we may reasonably request to evidence such assignment.

Section 1.5 – Training and Support

1.5.1 *Managing Owner*. The Managing Owner of your company is the person named as such in Schedule 2. If you are a sole proprietor, you are the Managing Owner. If your company is a legal entity such as a corporation or limited liability company, or a general partnership, then you agree to appoint and maintain throughout the term of this Agreement a shareholder, member or partner to serve as your "Managing Owner". The Managing Owner is responsible for overseeing and supervising the operation of the Franchised Business. We must approve the Managing Owner. The Managing Owner must always manage and directly supervise the Franchised Business. The Managing Owner will actively devote his or her full time, attention and effort to the Franchised Business. The Managing Owner will ensure at all times the proper levels of customer service in accordance with the Curricula, the Manuals and this Agreement. You may not change the Managing Owner without our prior written approval, which we may condition on, among other things, that person attending and satisfactorily completing our franchisee training program at your expense.

1.5.2 *Initial Training.* Before you begin operating the Franchised Business, we will train two people (the Managing Owner and one other) in the operation of a Starz Program business. We

do not charge for the initial training of two people. The training is described in our current franchise disclosure document. It takes place either at our headquarters office in Richmond, Virginia, at another location that we determine or virtually. You must pay the compensation and travel and living expenses of all of your personnel who attend our initial training, regardless of whether we charge you a fee for such training. If you choose to host the training at your location, you agree to pay us the Optional Training Fee for the training as well as travel and living expenses for Starz trainers. The training program consists of approximately three to five days of training. If we determine, in our sole discretion, that you or any person attending the initial training for your company is unable to satisfactorily complete the training, we may terminate the franchise agreement. If we terminate the agreement during your training or immediately after your training is complete, we will refund 50% of the initial fee.

1.5.3 *Ongoing Training.* At your request, and if we agree, we will furnish additional training. We may charge our then-current Optional Training Fee and expenses for additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards. We do not charge for other mandatory training. Our fees and expenses for training you request will vary based on the staff, location, and type of training. If any inspection or observation of the Franchised Business indicates noncompliance with any System Standards or if we receive negative customer feedback, we may require refresher training courses at such times and locations as we designate, and we may send our personnel to your Franchised Business for training. In such event, you agree to pay our then current fees for training and for the travel and living expenses for our personnel. If we require you to travel for such training, you will bear your own travel expenses.

1.5.4 *Ongoing Support.* We provide support and guidance from time to time in the operation of the Franchised Business, either in person, by telephone, by video, by email, in writing, or through newsletters, franchisee group meetings or other means. We have the right to provide regular operational reviews and advise you from time to time on the performance of the Franchised Business based on reports you submit to us and inspections or observations we make, to ensure compliance with the System Standards and to recommend improvements. At your request, and if we agree, we will furnish additional on-site guidance and assistance and, in such case, we may require you to pay our then-current fees and expenses. Your failure to implement any corrective action we require will constitute a material breach of this Agreement and may result in termination pursuant to Section 5.2.

1.5.5 *Conferences.* We may hold conferences to discuss ongoing changes in the industry, sales techniques, performance standards and other subjects. The Managing Owner of your company must attend these conferences, but we will not require you to attend more than one conference each year. We may charge a conference fee of up to $1,000 to offset cost of the conference each year. You must pay this fee whether or not you attend the conference (even though you are obligated to attend). You also will be responsible for your travel and living expenses. These conferences will be held at a location we select.

1.5.6 *Replacement Managers.* You must promptly notify us, in advance when possible, if the Managing Owner ceases or intends to cease his or her active management of the Franchised

Business. You must appoint a new Managing Owner acceptable to us immediately following the cessation of the prior Managing Owner's active management of the Franchised Business, or, if an owner is not available, then a qualified and trained manager, to manage the Franchised Business. Pending the appointment and training of a Managing Owner or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to appoint a manager for the Franchised Business and require you to pay in the manner described in Section 4.2.8.

1.5.7 *Undertakings by Your Personnel.* You agree to advise all individuals working for you of your obligations under this Agreement and to ensure their compliance. Each manager of your Franchised Business and each person who receives training from us or otherwise has access to Confidential Information (as defined in Section 3.2.1) who has not signed the Guaranty described in Section 1.1.6 must sign a written agreement with your company substantially in the form we require before performing any work for the Franchised Business or otherwise having access to the Confidential Information. You will submit to us a copy of all such written agreements. You will ensure that each such person complies with the terms of such agreement during the period that he or she is employed by you. Any breach of such agreement by any such person will be deemed a material breach of this Agreement and may result in termination pursuant to Section 5.2. We will be a third party beneficiary under each such agreement.

Section 1.6 – Your Operation of the Franchised Business

1.6.1 *System Standards.* You agree to operate the Franchised Business in strict accordance with all System Standards in effect. You understand and acknowledge that every detail of the Franchised Business is important to us and to all Starz Program franchisees in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, and to protect the reputation and goodwill of the brand. You agree to limit your teaching to the Curricula we provide or that we will have approved in advance. We will indicate to you in the Manual which of our programs we require you to offer and which, if any, are optional. We will also indicate which products, if any, you must offer to customers.

1.6.2 *Customer Service.* You will provide prompt, courteous and efficient service to all customers and treat all customers fairly, honestly and with respect. You will give prompt attention to all complaints from dissatisfied customers, if any, and use your best efforts to resolve such complaints as quickly as practicable, giving the customer the benefit of the doubt whenever feasible. You will provide customer service training to all individuals working at your Franchised Business.

1.6.3 *Computer System.* You agree to own, maintain and use in the Franchised Business a computer that is Internet-connected via broadband so that you can access our website and system portal and communicate with us and others via email, and so that you may engage in social media marketing. In addition, you agree to install, maintain and use in the Franchised Business such other computer hardware and software systems as we specify or approve, using suppliers we specify or approve. You acknowledge that we cannot estimate the future costs of the computer hardware and software systems or their maintenance or upgrades, or additions or modifications to these

systems, and that these costs may not be fully amortizable over the remaining term of this Agreement.

1.6.4 *Staff.* To the extent that you need staff, you will be solely responsible for hiring and training them in the proper operation of the Franchised Business. You will employ and engage only suitable persons of good character and reputation, with clean background checks, who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of the brand. Your franchised business must be operated at all times by at least one person who has attended and successfully completed our initial training. One person from your company who has attended our initial training must be designated as the person responsible for training all of your staff and ensuring that the Starz Program quality is maintained in the Franchised Business. Upon our request at any time, you will provide to us a list of the names, addresses and phone numbers of all individuals that work for your Franchised Business.

1.6.5 *Employer Obligations.* You will have sole authority and control over the day-to-day operations of the Franchised Business and its employees. You will be solely responsible for recruiting and hiring the persons you employ to operate the Franchised Business. You will also be responsible for their training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination. You specifically agree to comply with all workplace related laws. At no time will you or your employees be deemed to be employees of ours or of any or out affiliates. We will have no right or obligation to direct your employees.

1.6.6 *Child Protection.* At least one manager or instructor who has been trained by us or by a person from your company who has successfully completed our training must be present when children are present. **No child or class may ever be left unattended or unsupervised**. It is your responsibility to perform a background check, including a criminal search, on all individuals who will be working with children, and to perform new background checks and searches annually. You must comply with the Fair Credit Reporting Act when conducting background checks. Your failure to do so may result in termination pursuant to Section 5.2. You must provide us with the results of all such background checks and searches within ten days after their completion. We reserve the right to perform our own background checks, including criminal searches on all owners and managers of the Franchised Business. It is a material breach of this Agreement giving us the right to terminate if you allow any staff member who has not had a recent background check (within 12 months) to instruct children.

1.6.7 *Maintaining Goodwill.* You will do nothing that, in our reasonable opinion, tends to discredit the Marks or the Starz Program brand or to bring either into disrepute, or that might diminish or affect adversely our reputation or the goodwill of the Starz Program system. This obligation will survive this Agreement and continue in effect after the expiration or termination of this Agreement or your transfer in accordance with Article IV.

1.6.8 *Compliance with Laws.* You will comply with all applicable laws, rules and regulations in the operation of the Franchised Business and pay all taxes when due. You will comply with all applicable laws for the protection of children, including daycare and preschool regulations and background check requirements. The laws vary from state to state and may require you to

conduct a criminal or police record check on each instructor and require the instructor to be fingerprinted.

1.6.9 *Entity Requirements.* If you are a corporation or limited liability company, such entity must be newly organized and its charter, certificate of incorporation or operating agreement must at all times provide that its activities are confined solely to operating the Franchised Business. All certificates representing stock or other ownership interests in your company must contain a legend stating that transfer of such stock or ownership interest is limited by the provisions of this Agreement. Upon our request, you will deliver to us copies of all organizational documents of your company, including articles of incorporation, by-laws, shareholders' agreement, limited liability company articles and operating agreement, and any certificates we may request certifying any resolution of directors. If your company is a partnership, its activities must also be confined solely to operating the Franchised Business, which requirement must be included in your partnership agreement, if any, and you agree, upon our request, to deliver to us a copy of your partnership agreement.

1.6.10 *Vehicle.* If you do not already own an appropriate vehicle, you must acquire and maintain a vehicle for use in the Franchised Business at your expense. The vehicle must be insured and maintained in accordance with our specifications and standards. You must maintain the interior, exterior and mechanical parts of the vehicle in good repair and condition and regularly service the vehicle and maintain it in good working order. If you use a vehicle wrap, it must be approved or prescribed by us.

1.6.11 *Franchisee Advisory Council.* We reserve the right to create one or more "Franchisee Advisory Councils" for the purpose of fostering communication among and between franchisees and us, and to advise us in establishing, modifying or discussing various policies applicable to Starz Program franchisees. If and when a Franchisee Advisory Council is created, we may require you to participate in its meetings and programs. A Franchisee Advisory Council may advise and make recommendations, but will not act as a policy-making board and will have no authority whatsoever. We will determine or approve the rules under which any Franchisee Advisory Council functions. We may change the rules at any time and we may dissolve any Franchisee Advisory Council at any time. You will pay all costs and expenses incurred by you in connection with participation in any Franchisee Advisory Council, including the costs of transportation, lodging and meals.

1.6.12 *Customer Evaluations.* We reserve the right to institute programs for auditing customer satisfaction and other quality control measures, and to require you to pay the cost of such programs. You agree to present to your customers such evaluation forms as we periodically prescribe and to participate and request your customers to participate in any surveys performed by us or on our behalf. We may contact your customers and any schools in the Territory periodically to perform evaluations and audits of Starz Program offerings, or for any other purpose that we deem necessary or appropriate.

1.6.13 *Inspections and Observations.* During the term of this Agreement, we or our designated representatives will have the right, at any time during your regular business hours, without

prior notice to you, to observe, photograph and videotape the operations of the Franchised Business for such periods as we deem necessary; remove samples of any products, materials or supplies; to interview your personnel and customers and to conduct surveys of your instructors, team members, schools being services and parents of children enrolled in the program. Any inspection or observation we conduct will not unreasonably interfere with the operation of your Franchised Business. You agree to cooperate fully with us and our representatives during all inspections, observations, photographing, videotaping, product removal, interviews and surveys. You also agree that if we find any deficiencies in your compliance with the System Standards or this Agreement, you will take all steps reasonably necessary to correct such deficiencies within the time we specify. If we determine that you have failed to comply with this Agreement, you must reimburse us our actual out-of-pocket costs for our inspection. You also must reimburse our (or our designated third party's) actual out-of-pocket costs if you fail to perform any of your obligations under this Agreement and we (or our designated third party, which may be another Starz Program franchisee) perform those obligations for you in order to protect the Starz Program brand.

1.6.14 *Contacting the Sites.* During the term of this Agreement, we or our designated representatives will have the right, without notice to you, to contact and communicate with managers and other personnel at the preschools, day care centers, Montessori schools and other facilities in the Territory where you offer or conduct Starz Program services, or where you might offer your services in the future. The purpose of such calls will be both for marketing and to monitor the success of the program and your compliance with the System Standards.

1.6.15 *Prices.* We reserve the right to require you to comply with reasonable and lawful restrictions on prices of specific goods or services offered and sold by the Franchised Business as required in the Manuals or as we otherwise reasonably direct in writing from time to time. You understand that your prices should reflect that fact that the Starz Program is a premium quality offering.

1.6.16 *Contact Information.* You agree to keep us informed of your home and business addresses and telephone numbers during the term of this Agreement and for a period of one year after the expiration or termination of this Agreement.

Section 1.7 – Advertising, Promotion and Marketing

1.7.1 *Performance Requirements*. You acknowledge that the success of the Franchised Business depends on your active marketing and promotion of the Franchised Business throughout the Territory. You agree to diligently seek and retain customers and build a strong and positive business reputation throughout the Territory.

1.7.2 *Local Advertising.* We do not require you to engage in any minimum level of local advertising. You have the discretion to determine the local advertising, marketing, promotional and public relations programs and activities for the Franchised Business, and you will bear the cost of all such programs and activities. Such programs and activities may include direct mail (postcards and handwritten notes), email, community family night events, trade shows, door-to-door

sales, and targeted social media. All of your advertising, promotion and marketing must comply with our brand standards.

1.7.3 *Local Advertising Materials.* We will create advertising and identification materials that we make available for your purchase from us or our designated supplier. All materials you propose to have produced by third parties for your use in local advertising, marketing, promotional and public relations programs and activities, and all of your letterhead, business cards and other items that identify the brand, must conform to the standards and requirements we may specify. You agree to submit to us, at least 30 days before you use them, samples of all materials you intend to use that we have not prepared or previously approved. We will endeavor to deliver to you our written approval or disapproval within 15 calendar days after our receipt of such materials, but we will not be liable for any delay. If we have not notified you of disapproval within 15 calendar days after your submission for approval and our acknowledgment of receipt, the materials will be considered approved. We may withdraw our approval at any time. If we withdraw our approval, you will immediately cease the use, distribution and dissemination of such material. Any advertising, marketing or sales concepts, programs or materials that you propose or develop for the Franchised Business and we approve may be used by us and by our affiliates and other franchisees without any compensation to you.

1.7.4 *National and Regional Advertising.* We have the exclusive right (but no obligation) to maintain and administer any national and regional advertising, public relations and marketing programs and market research. We will use our own funds for all advertising we do. Franchisees do not contribute to our national or regional advertising or marketing programs. However, we have the right to form Franchisee Advisory Councils in accordance with Section 1.6.11 to advise us with respect to advertising, public relations and marketing programs.

1.7.5 *Cooperative Advertising.* We may establish and coordinate cooperative advertising, marketing and sales programs, customer satisfaction programs and other programs or activities among Starz Program franchisees. These programs or activities may be on a local, regional or national basis. You will participate in such programs and activities as we may prescribe; provided, however, that we will not require you to spend in any year more than 1% of Gross Sales (as defined in Section 2.1.8). Such programs and activities will be paid for on an equitable basis by the participants.

1.7.6 *Internet Advertising.* You may not own an Internet domain name that includes any of the Marks or variations of any of the Marks. Any Internet advertising or blog postings you do must be submitted to us in advance for our approval in the manner described in Section 1.7.3.

1.7.7 *Social Media.* You may promote the Franchised Business through social media and similar means provided that such promotion is consistent with the Manuals and comply with brand standards. You agree to designate our company representative as an administrator on any social media account you create, giving us the ability to modify and remove any content from such account. We may modify or remove such content in the event that you fail to comply with our guidelines after we have notified you of such failure and given you an opportunity to cure. You

agree to check for social media postings of your instructors from time to time to be sure that any comments they write are permitted and are consistent with our policies and brand standards.

1.7.8 *Marketing Fund.* At present, we do not have a Marketing Fund or collect Marketing Fees. If implemented, the Marketing Fund contributions will be paid to us in addition to any local advertising you choose to con-duct in your local market. We reserve the right to implement this Marketing Fund upon 30 days' prior written notice to you. We reserve the right to require you to pay up to 2% of Gross Sales per year in Marketing Fees into an Marketing Fund. Franchisor owned outlets do not have to contribute to the Advertising Fund, but may do so. We administer the Advertising Fund. The Fund is not audited. Unaudited financial statements of the Advertising Fund will be made available to you upon written request. If not all Advertising Fees are spent in the fiscal year in which they accrue, we will carry over those fees and apply them to the next fiscal year. We may use up to 10% of Marketing Fees to solicit new franchise sales.

Section 1.8 – Website and Portal

1.8.1 *System Website.* We maintain one or more websites to advertise, market and promote the Starz Program, the products and services sold at the Starz Program businesses and the Starz Program franchise opportunity (the "System Website"). We own all intellectual property and other rights in the System Website and all information it contains. You acknowledge that we have final approval rights over all information on the System Website, including information we post about your business. We may implement and periodically modify System Standards relating to the System Website. We may at any time and in our sole discretion discontinue using the System Website. If we discontinue using the System Website, we may at any time and in our sole discretion resume using it.

1.8.2 *Promotion of the System Website.* All advertising, marketing and promotional materials that you develop for the Franchised Business must contain notices of the System Website's domain name in the manner we designate.

1.8.3 *File Share.* In addition to the System Website, we will maintain a file-sharing platform for all Starz Program franchisees, which will be accessible only to them and not available to the general public. This file share platform will enable you to access certain materials that may include the Manuals and Curricula, best practices, online training materials, financial benchmarking information and other information and resources of value to Starz Program franchisees. You may be required to subscribe and pay for the file share platform. We may also use the file share platform to facilitate online franchisee discussion groups.

1.8.4 *Terms of Use.* You agree both during and after the term of this Agreement not to disclose your username or password for the portal or the web tools described in Sections 1.8.1 and 1.8.3 to any person or entity who is not under your direct supervision and who does not have a need to know such password. You agree to inform all persons under your supervision who may have access to such password of this obligation of confidentiality. You further agree to comply with all terms of use, guidelines and policies we establish for the use of the file share platform described in Section 1.8.3 and the tools we make available to you on the System Website. We will

use third party service providers for the website tools, the file share platform and other online services we offer to you that meet industry standards for data security. We do not warrant that use of the System Website or portal will be error-free or uninterrupted. We are not responsible for any outage that may impact your business. Your violation of any of the terms of use or our guidelines or policies is a material breach of this agreement and may result in termination pursuant to Section 5.2.

1.8.5 *Electronic Communications.* You agree to maintain a dedicated telephone line with voicemail, and a high-speed Internet connection. You agree to use in the Franchised Business only such email addresses as we authorize and you will comply with such policies as we prescribe from time to time for email use. We have the right to establish requirements that will permit us, as often as we deem appropriate, to access your computer system and to retrieve all information relating to the Franchised Business.

ARTICLE II – FEES; PAYMENTS; RECORDS; INSPECTIONS

Section 2.1 – Fees and Reports

2.1.1 *Initial Fee.* Upon your signing of this Agreement, you will pay us an initial fee in the amount specified in Schedule 2. The initial fee is fully earned at the time we grant the franchise and is not refundable except that we will refund 50% of the initial fee if we terminate this Agreement during or immediately following your initial training because we determine, in accordance with Section 1.5.2, that you or any person attending the initial training for your company is unable to satisfactorily complete the training.

For qualified individuals who were honorably discharged from any branch of the United States Military the Initial Franchise Fee will be discounted 5%. Individuals with at least three years of experience teaching in a private or public school system will also receive a 5% discount on the Initial Franchise Fee. This discount must be requested at the time of your initial franchise application and requires documentation of military service or teaching. These discounts may not be combined.

2.1.2 *Royalty.* You agree to pay us a monthly royalty ("Royalty") as follows:

2.1.2.1 No royalty required for the first 90 days after the Date of this Agreement;

2.1.2.2 Beginning on day 91 through day 180 after the Date of this Agreement, 4% of Gross Sales (as defined in Section 2.1.8) in the prior calendar month, or if greater, the minimum amount of $400; and

2.1.2.3 Beginning on day 181 after the Date of this Agreement, 8% of Gross Sales in the prior calendar month, or, if greater, $400 per month in year one, and $500 in each subsequent month.

If you purchase multiple territories at the same time, a discounted royalty of 7.5% applies on the Gross Sales for all territories, or, a minimum of $200 per month for each additional territory.

You must continue to make Royalty payments 12 months of each year even if the Franchised Business only operates during the school year and does not operate in the summer.

2.1.3 *Non-Compliance Fee*. You agree to pay us a $100 non-compliance fee per instance of non-compliance if you fail to comply with the operations manual including, but not limited to, failing to attend and participate in monthly franchisee owner meetings.

2.1.4 *Event Fee.* You agree to pay us an event fee of $50 to $500, as determined by us, for our assistance and the materials we provide for recitals or other Starz Program events that you hold. If our representative personally attends the event and assists at your request we may also charge our then-current fees and expenses of optional on-site support.

2.1.5 *Other Fees.* You agree to pay us the following fees upon the occurrence of the following events:

2.1.5.1 We may charge our then-current fees and expenses if we provide additional training or support at your request that is not mandatory or that we require because your personnel are not meeting our standards, as described in Sections 1.5.3 and 1.5.6.

2.1.5.2 You will pay us a fee to offset cost of conferences as described in Section 1.5.5.

2.1.5.3 If you transfer the Franchised Business with our consent pursuant to Section 4.2, you agree to pay us a transfer fee in an amount equal to 10% of the then current initial fee plus training expenses.

2.1.5.4 If we appoint a temporary manager as described in Sections 1.5.6 and 4.2.8.

2.1.5.5 If we obtain insurance on your behalf in accordance with Section 6.3.3, you will pay us an amount equal to the premiums and related costs for the required insurance in full upon receipt of the invoice, plus a 25% service charge.

2.1.5.6 If we perform an inspection or audit that is made necessary by your failure to furnish any information we require or if an audit or inspection reveals an understatement of Gross Sales greater than 2%, then we may require you to reimburse us for the reasonable cost of such inspection or audit in accordance with Section 2.2.4.

2.1.5.7 If you fail to conduct required observation and reporting regarding your employees that we may require and we conduct the observation and reporting regarding your employees, you agree to pay us our then-current fees and expenses for additional or ongoing training to do so.

2.1.5.8 If you renew the franchise pursuant to Section 5.1.2, you agree to pay us our then-current renewal fee, which will be 20% of the then-current initial franchise fee.

2.1.5.9 If you continue to sell an unauthorized product or service after we have notified you to cease, you will pay us a prohibited product or service fee pursuant to Section 1.3.4, which is currently $50 per day.

2.1.5.10 If any required payment you make to us is late or is dishonored or rejected by your bank, you will pay the additional fees described in Sections 2.1.10 and 2.1.11.

2.1.5.11 You agree to pay to us a teacher online training fee starting at $45 per course per teacher and require your teachers to take such online training as we specify.

2.1.5.12 You agree to pay to us a violation fee of $200 per violation for any teacher that has not been properly trained, does not have a proper badge, or background check. You must purchase teacher badges, t-shirts, backpacks, background checks, and such other items as we specify from us.

2.1.5.13 Before opening the Franchised Business, you agree to pay to us $500 for signage and other branded items.

2.1.5.14 You agree to pay to us our then current Branded Uniform Fee each time you hire a teacher. This fee may be subject to change based on costs to us and our current requirements.

2.1.5.15 If you request assistance with hiring certain employees or positions for your franchise, and we are agree to assist you, you agree to pay to us a fee, currently $125 per instructor.

2.1.6 *Inflation.* Fees stated in this Section 2.1 as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of this Agreement, as published by the U.S. Department of Labor, or a successor index.

2.1.7 *Reports.* You must send us such reports in the time and manner we may specify in the Manuals or otherwise in writing. You will submit a report to us with each monthly Royalty payment setting forth your true and correct Gross Sales for the prior calendar month. If your Territory includes two unit territories, you will report Gross Sales separately for each unit territory. We will have the right, upon notice to you, to require you to submit to us: (i) quarterly and annual balance sheets and income statements for the Franchised Business, prepared in accordance with generally accepted accounting principles consistently applied, in the format we prescribe, and verified as correct in the manner we prescribe from time to time; (ii) reviewed financial statements prepared annually; and (iii) copies of all federal and state tax returns of the Franchised Business. You will include with each report such information with respect to the operation of the Franchised Business as we require. You will also execute such forms and documents as we deem necessary to appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole

purpose of obtaining any and all returns and reports filed by you with any state or federal taxing authority.

2.1.8 *Definition of Gross Sales.* As used in this Agreement, the term "Gross Sales" or "Gross Sales of the Franchised Business" means the total of all sales made in the operation of the Franchised Business, whether collected or not, whether from cash, check, credit card or credit transactions (with no deduction for credit card charges), but excluding all federal, state or municipal sales or use taxes collected from customers for payment to the appropriate taxing authorities, excluding actual customer refunds, adjustments and credits made in compliance with the Manuals, and excluding any tips collected and paid to or gifts received by employees from clients and customers.

2.1.9 *Payment.* Your Royalty payments are due by the 10th day of each calendar month. Time is of the essence with respect to all payments you are required to make to us. We require you to pay all sums owed to us or to any of our affiliates electronically through one or more depository transfer accounts or using such methods as we may designate in the Manuals or otherwise in writing. At our request, you agree to execute such documents as we determine are necessary for us to process electronic funds transfers from your designated bank account for payment of the fees you owe to us, including the authorization form attached as Schedule 4. You will bear the cost of all bank service charges and all costs to establish and maintain the required electronic payment system. You will comply with our procedures for electronic payment, which we may modify from time to time, including the maintenance of such minimum bank account balance as we specify from time to time.

2.1.10 *Interest on Late Payments.* Any payment that is not made by the 10th day of any calendar month will be subject to interest at the rate of 1.5% per month or the highest rate allowed by law, whichever is less. Interest begins to run the 20th day of the calendar month in which we have not received payment. Interest will accrue whether or not we exercise our right to terminate as provided in Section 5.2.3.4. You acknowledge that this subsection does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to you or otherwise finance your operation of the Franchised Business.

2.1.11 *Late Fees.* You agree to pay us a late fee equal to the greater of 15% of the amount due or $25 for each required payment that is late. The late fee is not interest or a penalty but compensates us for increased administrative and management costs due to your late payment. You also must pay us $75 for each dishonored or NSF check and for each attempted debit from the EFT Account that is not honored due to insufficient funds or other actions you have taken to impede the automatic debiting process. Each failure to pay the Royalty and other amounts payable to us when due is a material breach of this Agreement and may result in termination pursuant to Section 5.2.

2.1.12 *Failure to Report.* If you fail to report Gross Sales for any month or record invoices as designated by us and in the manner required by us, we may debit the EFT Account for 120% of the last Royalty that we debited (together with the late fee noted above). If the amounts we debit from the EFT Account are less than the amounts you actually owe us (once we have determined

the actual Gross Sales), we will debit the EFT Account for the balance on the day we specify. If the amounts we debit from the EFT Account are greater than the amounts you actually owe us, we will credit the excess against the amounts due during the following month.

2.1.13 *No Setoff.* Your obligations to make payments in accordance with this Agreement and any other agreement with us or any of our affiliates with respect to the Franchised Business are not subject to any abatement, reduction, setoff, defense or counterclaim due or alleged to be due for any past, present or future claim that you have or may have against us or any of our affiliates.

2.1.14 *Application of Payments.* All payments you make to us will be applied in such order as we may designate from time to time, regardless of any designation you may make with respect to the application of such payments, even if you specifically make payment conditional on our acceptance of your designated application or instructions.

2.1.15 *Taxes.* In the event that we are required to collect and pay any sales or use tax from you for payment to any tax authority based on your purchase of the franchise or any items relating to the franchise, or based on any continuing payments you make to us under this Agreement, you will pay such amounts to us upon receipt of our invoice.

Section 2.2 – Records; Inspection

2.2.1 *Records.* You agree to maintain full, complete and accurate records of the Franchised Business.

2.2.1.1 We require you to maintain the books, records, and class rosters of your franchised business electronically in a manner that we specify. You agree that we will have independent access to these records.

2.2.1.2 You agree to maintain and to furnish to us upon request complete copies of all income, sales, value added, use and service tax returns, and employee withholding, workers' compensation and similar reports filed by you reflecting activities of the Franchised Business. You agree to preserve all records described in this Section 2.2.1.2 for a period of at least five years after their creation, or such longer period as may be required by law, during both the term and each renewal term of this Agreement and following the expiration or termination of this Agreement.

2.2.2 *Right to Inspect and Audit.* During the term of this Agreement, in addition to our rights under Section 1.6.13, we or our designated representatives will also have the right, at any time, without prior notice to you, to inspect the books and records of the Franchised Business and take excerpts. We also have the right to audit the records of the Franchised Business, or to cause such records to be audited. This right includes the right to access your computer systems. You agree to cooperate fully with us and our representatives during all such inspections and audits.

2.2.3 *Discrepancies.* If any inspection or audit demonstrates an understatement of Gross Sales, you will pay the deficiency to us plus interest within 15 days after you receive the inspection or audit report.

2.2.4 *Cost.* All inspections and audits will be at our expense; but if an inspection or audit is made necessary by your failure to furnish, or your delay in furnishing, reports, supporting records, other information or financial statements we require, or if an understatement of Gross Sales for the period of any audit or inspection is determined by any such audit or inspection to be greater than 2%, you agree, within 15 days after our request, to reimburse us for the cost of such inspection or audit, including, without limitation, legal and accounting fees, and the travel expenses, including lodging, meals and per diem charges of the inspecting or auditing personnel. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

2.2.5 *Survival of Inspection and Audit Rights.* Our rights to inspect the books and records of the Franchised Business and to take excerpts, and to audit the Franchised Business, will continue for a period of six months following the expiration or termination of this Agreement; but we may only inspect such books and records or perform any such audit following the expiration or termination of this Agreement upon at least 24 hours' prior notice to you.

2.2.6 *Disclosure of Your Data.* We have the right to disclose data we receive from you regarding the Franchised Business without identifying you. If we are required by law to disclose any data we receive from you regarding the Franchised Business and such disclosure will identify you, we will notify you of the disclosure to be made and, if you request, endeavor to obtain legally binding assurance that those who receive such disclosure will be bound by an obligation of confidentiality.

ARTICLE III - PROPRIETARY RIGHTS; CONFIDENTIALITY; NONCOMPETITION

Section 3.1 – Our Copyrights and Trademarks

3.1.1 *Our Copyrights.* We and our affiliates are the sole owners of all copyrights in the Manuals and all Curricula and supplemental materials, and other materials identified as ours that we provide to you, and in all advertising and promotional material created by or for us, as well as the System Website and all social media and blog content posted by us or by you. You may not copy any such materials, nor create derivative works of any such materials, except as we may specifically authorize or permit.

3.1.2 *Our Trademarks.* Your right to use the Marks is derived solely from this Agreement and is limited to your operation of the Franchised Business pursuant to and in compliance with this Agreement and all System Standards. Your unauthorized use of the Marks will be a material breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks

upon you other than the right to operate the Franchised Business in compliance with this Agreement. You will not contest or assist others in contesting our right to use the Marks.

3.1.3 *Proper Use of the Marks.* You may not use the Marks except as authorized under this Agreement and in the Manuals. You understand that any use of the Marks other than as expressly authorized by this Agreement, without our prior written consent, may constitute infringement and that your right to use the Marks does not extend beyond the expiration or termination of this Agreement. You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner of the Franchised Business in the manner we prescribe. You may not use any Mark or any word similar to any of the Marks as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form, nor may you use any Mark in connection with the performance or sale of any unauthorized products or services or in any other manner we have not expressly authorized in writing. You may not use any Mark as part of a domain name or electronic address of a website except through social media as described in Section 1.7.7 with our prior written approval. You agree to display the Marks prominently in the manner we prescribe at the Franchised Business and on business forms and advertising materials. You agree to give such notices of trademark registrations and our ownership of the Marks as we specify from time to time and to obtain any fictitious or assumed business name registrations required under applicable law. You agree not to use or apply for trademark registration anywhere in the world, for any product or service outside of Starz Program system, for a trademark that is the same as or that may create a likelihood of confusion with any of the Marks.

3.1.4 *Modifying the Marks.* We will have the right to modify or change the Marks from time to time upon written notice to you specifically referring to this Agreement and describing such modification or change. Such right will include the right to use a trademark that is entirely different from "Starz Program" and the right to require you to use one or more additional logos and marks; but we will make all such changes in the Marks only for good faith marketing, trademark or other reasons on a uniform basis for all Starz Program franchisees in the U.S. You agree, upon notice from us, to regard each such modified, changed, new or additional trademark as being within the definition of "Marks" under this Agreement, and to use each such trademark in accordance with the terms and conditions of this Agreement. We will not be obligated to reimburse you for any loss of revenue or expenses caused by any such modification or change.

3.1.5 *Infringement.* You agree to notify us of any apparent infringement of any Mark or of any of our copyrights, by any third party, as soon as such apparent infringement comes to your attention, and to notify us immediately of any challenge to your use of any Mark and of any claim by any person of any rights in any Mark. You agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate with respect to such apparent infringement, challenge or claim and the right to control exclusively any litigation and any U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark or our copyrights. You agree not to initiate any such action or proceeding, but to cooperate with us in any

such action or proceeding and sign any and all instruments and documents, render such assistance and do such acts and things as may be necessary or advisable, in the opinion of our attorneys, to protect and maintain our interests in any litigation or any proceeding at the Patent and Trademark Office, or otherwise to protect and maintain our interests in the Marks or copyrights. In the event any sum is recovered based on our claim of infringement, we will have the exclusive right to such recovery.

Section 3.2 – Confidentiality of Our Information

3.2.1 *Confidential Information.* We possess and will continue to develop and acquire certain confidential information relating to the development and operation of the Starz Program businesses and the franchise system ("Confidential Information"). Confidential Information means information that is not generally available to the public and that has commercial value to us or to the Franchised Business, or that is personally identifiable information of customers. "Confidential Information" includes, without limitation:

3.2.1.1 the contents of the Manuals and all supplemental materials;

3.2.1.2 the substance, design, organization, and presentation of all Curricula and class material we provide to you, including both written and video materials;

3.2.1.3 the content of our training and assistance;

3.2.1.4 sales and marketing techniques;

3.2.1.5 customer lists and lists of schools and other facilities served (including the name, address, telephone number and email address of each customer, school and facility);

3.2.1.6 planned advertising and marketing programs;

3.2.1.7 current, past and planned research, development and test programs for products, services and operations;

3.2.1.8 specifications for and suppliers of certain equipment, materials and supplies;

3.2.1.9 the operating results and financial performance of Starz Program businesses other than the Franchised Business, except to the extent that we report such information in our franchise disclosure document;

3.2.1.10 user names and passwords allowing access to protected areas on our website, or file share platform or our computer network; and

3.2.1.11 all improvements and modifications to the System Standards or in the Franchised Business developed by you or your personnel as described in Section 1.4.3.

You acknowledge and agree that you will not acquire any interest in any Confidential Information other than the right to use Confidential Information disclosed to you in operating the Franchised Business during the term of this Agreement.

3.2.2 *Nondisclosure and Non-Use.* At all times both during the term and after the expiration or termination of this Agreement, (i) you will keep all Confidential Information in the strictest confidence and you will not disclose any Confidential Information to any person other than your individuals who have a legitimate need to know such information and who are informed of this obligation of confidentiality and (except in the case of professional advisors) have signed either a Guaranty in the form of Schedule 3 or a written agreement with your company substantially in the form we require, and (ii) you will not use any Confidential Information except for the purpose of fulfilling your obligations under this Agreement. You will immediately notify us upon discovering any loss or unauthorized disclosure by anyone of any Confidential Information.

3.2.3 *Isolated Disclosures.* Notwithstanding the foregoing, we will not deem you to be in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by anyone other than an owner, provided that you have taken reasonable steps to prevent such disclosure, including but not limited to the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information, and further provided that you immediately notify us of any such disclosure and pursue all reasonable legal and equitable remedies against such individual for disclosure of Confidential information either alone or jointly with us.

3.2.4 *Exceptions.* The obligations of confidentiality and non-use described above will not apply to information that: (i) you can clearly show was known to you on a non-confidential basis prior to its disclosure to you by us; (ii) is or becomes generally known among Competitive Businesses (as defined in Section 3.3.1) in the U.S. other than through disclosure by you or any of your employees, contractors, agents or representatives; or (iii) you can clearly show was received by you on a nonconfidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

3.2.5 *Disclosures Required by Law.* In the event that you become legally compelled to disclose any Confidential Information, you will (i) promptly notify us that such information is required to be disclosed, (ii) use your best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that your legal counsel advises is legally required to be disclosed.

3.2.6 *Return of Information*. Upon our request, you will promptly return to us all Confidential Information and all copies in your possession or under your control, and you will destroy all copies on your computers, disks and other digital storage devices.

3.2.7 *Your Rights Under Federal Law.* Nothing in this Agreement is intended to prohibit you from exercising your rights under the Defending Trade Secrets Act of 2016. You have the

right to disclose our trade secrets in each of the following circumstances without incurring criminal or civil liability:

3.2.7.1 You may disclose our trade secrets (i) in confidence to a federal, state or local government entity, or to an attorney, solely for the purpose of reporting a suspected violation of law or in an investigation of a suspected violation of law, or (ii) in a legal proceeding under seal.

3.2.7.2 You may disclose our trade secrets in a complaint or other document filed in a lawsuit or other proceeding as long as the filing is made under seal. This includes a lawsuit you may file for retaliation by us for your reporting a suspected violation of law to a government entity. You may not otherwise disclose any trade secret or confidential information except pursuant to a court order and in compliance with Section 3.2.5.

Section 3.3 – Noncompetition

3.3.1 *Definition of Competitive Business.* As used in this Agreement, the term "Competitive Business" means any business that directly or indirectly offers a children's fitness or skills development enrichment program (other than a Starz Program business operated under a franchise agreement with us or our affiliate).

3.3.2 *Agreement Not to Compete.* You agree that during the term of this Agreement and any renewal of this Agreement (and thereafter pursuant to Section 3.3.3), you will not, directly or indirectly, (i) engage in a Competitive Business; or (ii) divert or attempt to divert any business or customer of the Franchised Business to any competitor.

3.3.3 *Noncompetition After Termination.* Upon the expiration, termination, non-renewal, or sale of this Agreement of your interest in it your company and your company's owners agree for a period of two years thereafter to not, directly or indirectly: (i) engage in a Competitive Business located or operating within the Territory or within 5 miles of the Territory of any Starz Program business in the United States; or (ii) divert or attempt to divert any business or customer of the Franchised Business to any competitor.

ARTICLE IV - TRANSFER

Section 4.1 – Transfer by Us

We may sell, assign or transfer our rights and obligations under this Agreement to any party, without the approval of or prior notice to you, provided that the buyer, assignee or transferee agrees in writing to assume all of our obligations under this Agreement. We will not be liable for obligations of the transferee arising after the date of transfer.

Section 4.2 – Transfer by You

4.2.1 *No Transfer Without Our Approval.* We have granted the franchise to you in reliance upon our perceptions of your (or your company's owner's) individual or collective character, skill, aptitude, business ability and financial capacity. Accordingly, you may make no Transfer (as defined below) without our prior written approval. Any purported Transfer without such approval will be a material breach of this Agreement and may result in termination pursuant to Section 5.2. Our consent to a Transfer does not constitute a representation as to the fairness of the terms of any contract between you or your company's owners and the transferee. Nor does our consent constitute a guaranty of the successful operation of the Franchised Business by the transferee or a waiver of any claims we may have against you or your company's owners or of our right to demand the transferee's compliance with any of the terms or conditions of this Agreement.

4.2.2 *Definition of Transfer.* As used in this Agreement, the term "Transfer" means your (or your company's owner's) voluntary, involuntary, direct or indirect assignment, sale, gift, pledge or other disposition of: (i) any legal or beneficial ownership or voting interest in your company: (ii) this Agreement, or (iii) any material asset of the Franchised Business. "Transfer" also includes (i) the merger or consolidation of your company; (ii) the issuance of additional securities or other ownership or voting interests of your company, and (iii) the admission or departure of a partner or owner. It includes transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law, and transfers resulting from divorce. It also includes any grant of a security interest to a third party without our approval.

4.2.3 *Notice of Transfer.* You agree to notify us of any planned Transfer, and to provide us with any information we may reasonably request in order to permit us to evaluate the planned Transfer. If we do not exercise our option under Section 4.3, we agree not to unreasonably withhold our approval of a Transfer. If we approve the Transfer, then you will be free, for 90 days following such approval, to effect the Transfer to the person or persons approved by us.

4.2.4 *Conditions to Transfer.* The following conditions will apply with respect to any Transfer except as described in Section 4.2.5:

4.2.4.1 The proposed transferee, its management and owners, must be individuals of good character with sufficient business experience, aptitude, and financial resources to operate the Franchised Business and otherwise meet our then applicable standards for a new Starz Program franchisee.

4.2.4.2 Neither the proposed transferee nor any of its management or owners may be a Competitive Business or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business.

4.2.4.3 You will cure any default under this Agreement that we will have notified to you.

4.2.4.4 You will pay all fees and any other amounts then owed to us and our affiliates.

4.2.4.5 You or the transferee will pay us a nonrefundable transfer fee described in Section 2.1.5.3.

4.2.4.6 The transferee will enter into our then current form of franchise agreement amended to shorten the initial term to conform to the remaining term of this Agreement and to remove the requirement to pay the initial fee, and each Guarantor under the new franchise agreement will have signed our then-current form of guaranty.

4.2.4.7 You and we and each transferor will execute a written agreement, in a form satisfactory to us, terminating this Agreement and acknowledging your obligations following the Transfer, including without limitation the requirements of Section 3.3.3. We may require that the termination agreement include a general release, in a form prescribed by us, of any claims against us and our affiliates and their respective members, managers, officers, directors, shareholders, partners, agents and employees.

4.2.4.8 The transferee or its designated personnel will have completed such training as we may require, to our satisfaction, and paid us our then current training fee.

4.2.4.9 We will have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business. As part of such approval, we may require you to be available to assist the transferee for a period of 90 days following the Transfer.

4.2.4.10 After our authorization of the Transfer and your compliance with all of the requirements listed above, you will give us not less than five business days' written notice of the date, time and place of the closing of such Transfer, and you will give us an opportunity to have a representative present.

4.2.4.11 If the transaction is brokered by a third-party or by one of our authorized sales representatives, you or the proposed transferee will be responsible for paying broker fees at the same commission rate that we pay such brokers or sales representatives.

4.2.5 *Transfer to a Company you Control.* Upon prior notice to us and the signing by the relevant parties of assignment documents acceptable to us, you may transfer this Agreement to an entity that conducts no business other than the Franchised Business in which you maintain management control and of which you or all of the owners of your company own and control 100% of the equity and voting power, provided that all assets of the Franchised Business are owned, and the entire Franchised Business is conducted by, a single entity and provided that the owner or owners sign a new personal guaranty as described in Section 1.1.7. The requirements of Sections 4.2.4.5 through 4.2.4.9 will not apply to any such transfer.

4.2.6 *Transfer Upon Death or Disability.* You or your executor or other personal representative must promptly notify us in the event of the death or disability of the Managing Owner. Any transfer upon death or disability will be subject to the same terms and conditions as those that apply to other transfers, as described in Sections 4.2.1 through 4.2.4; but you or your executor or other personal representative will have a period of 6 months in which to effect a transfer acceptable to us in the event of death or disability. The Managing Owner must be replaced in the manner described in Section 1.5.6. As used in this Agreement, the term "disability" means a mental, emotional or physical injury, illness, incapacity, disability or impairment that is reasonably expected to prevent or actually does prevent a person from performing the obligations set forth in this Agreement for at least six consecutive months, or more than 30 days in the case of a Managing Owner. A person's disability for purposes of this section will be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person will automatically be deemed disabled for purposes of this section as of the date of refusal. We will pay the cost of the examination.

4.2.7 *Operation of the Franchised Business Upon Death or Disability.* If upon the death or disability of the Managing Owner the Franchised Business is not being actively managed by an owner who has attended and successfully completed such training as we may require, you or such deceased or disabled owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 30 days from the date of death or disability, appoint a Managing Owner to operate the Franchised Business. Such Managing Owner will be required to complete our training at your expense. Pending the appointment and training of a Managing Owner or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to appoint a manager for the Franchised Business.

4.2.8 *Transitional Management Costs.* In the event that we appoint a manager for the Franchised Business pursuant to Section 4.2.7 or Section 1.5.6, all funds from the operation of the Franchised Business during the management by our appointed manager will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We will also have the right to charge a reasonable management fee (in addition to the Royalty and Marketing Fee payable under this Agreement) during the period that our appointed manager manages the Franchised Business. Operation of the Franchised Business during any such period will be on your behalf. We will not be liable to you or your company's owners for any debts, losses or obligations incurred by the Franchised Business or to any of your suppliers for any products, materials, supplies or services the Franchised Business purchased during any period it is managed by our appointed manager.

Section 4.3 – Our Right of First Refusal

4.3.1 *Notice of Third Party Offer.* If you or any of your company's owners at any time desire to sell, assign or transfer for consideration an interest in this Agreement and the assets of the Franchised Business or an ownership interest in your company to anyone other than as described in Section 4.3.4, you will obtain and immediately submit to us a true and complete copy of a bona fide written offer from the third party that desires to acquire such interest (the "Third

Party Offer"). The Third Party Offer must include the names of all owners of any entity offeror and the names of all partners of any partnership offeror. The Third Party Offer must also contain details of the payment terms of the proposed sale, and may not include or be contingent upon the purchase of assets other than those related to the Franchised Business.

4.3.2 *Exercise of Our Right of First Refusal.* We will have the right, exercisable by notice delivered to you or your company's selling owner or owners within 30 days after the date of our receipt of a copy of the Third Party Offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in the Third Party Offer, provided that (i) we may substitute cash for any form of payment proposed in such offer; and (ii) we will have at least 60 days after giving notice of our election to prepare for closing. If we exercise our right of first refusal, you and we will execute a written agreement, in a form satisfactory to us, acknowledging the seller's continuing obligations. We may require the seller to sign a general release, in a form prescribed by us, of any claims against us and our affiliates and their respective members, managers, officers, directors, shareholders, partners, agents and employees.

4.3.3 *Consequence of Nonexercise of Our Right of First Refusal.* If we do not exercise our right of first refusal, you or your owners may complete the sale to the person or entity that made the Third Party Offer pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Section 4.2; but if the sale to such purchaser is not completed within 120 days after delivery of the Third Party Offer to us, your right to sell will expire and you may make no further sale or assignment of this Agreement or the assets of the Franchised Business or an ownership interest in your company without first offering the same to us in accordance with the terms of this Section 4.3.

4.3.4 *Exceptions.* Our right of first refusal will not apply to transfers among the current owners of your company unless the Managing Owner is transferring his or her ownership.

ARTICLE V - TERM AND TERMINATION

Section 5.1 - Term and Renewal

5.1.1 *Initial Term.* This Agreement will be effective as of the date set forth in the opening paragraph of this Agreement. The initial term of this Agreement will expire ten years after the date of this Agreement.

5.1.2 *Renewal. Y*ou will have the right to acquire an additional ten year term, provided:

5.1.2.1 you will have given us notice of your desire to acquire a successor franchise ("Renewal Notice") not less than 6 months nor more than 12 months before the end of the then-current term;

5.1.2.2 you and your affiliated companies must not be in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your

Renewal Notice, or if you are in default, you will have cured such default in the manner described below;

5.1.2.3 you comply with our then-current financial qualifications and training requirements for new Starz Program franchises;

5.1.2.4 you must not have received more than three notices of default during any 24-month period during the term of this Agreement, whether or not such defaults have been cured;

5.1.2.5 if we require, you execute a general release, in a form prescribed by us, of any and all claims against us and our affiliates and their respective members, managers, officers, directors, shareholders, partners, agents and employees; and

5.1.2.6 you execute our then-current standard form of franchise agreement, which agreement will supersede this Agreement in all respects. You will not be required to pay the initial fee stated in the successor franchise agreement. Instead, you will pay us the renewal fee referred to in Section 2.1.5.8. You understand that the successor franchise agreement may contain materially different terms than this Agreement, including, but not limited to, increased fees.

If you or any of your affiliated companies is in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your Renewal Notice, we will give you notice, not more than 30 days after receipt by us of your Renewal Notice, of such default, and we will give you 30 days to cure. In the event that you fail to cure in that period, or in the event that any other condition set forth in this Section 5.1.2 is not satisfied, your right to renew will terminate.

5.1.3 *Hold Over.* If you do not sign a new franchise agreement before the term of this Agreement expires and you continue to accept the benefits of this Agreement after this Agreement expires, then at our option, we may treat this Agreement either as: (i) expired as of the date of expiration, with you then being deemed to be operating without a franchise in violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Period") until either (A) both you and we sign a new franchise agreement or (B) either you or we give at least 30 days' prior written notice to the other party of your or our intention to terminate the Interim Period, in which case the Interim Period and this Agreement will terminate on the date specified in the notice. All of your obligations will remain in full force and effect during the Interim Period as if this Agreement had not expired.

Section 5.2 - Termination

5.2.1 *Termination by You.* You may terminate this Agreement as follows:

5.2.1.1 You may termination this Agreement in the event of our material breach of this Agreement. In the event that you claim that we have materially breached this Agreement, you will provide us with written notice of such claim within twelve months of its

occurrence, specifically enumerating all alleged deficiencies and providing us with an opportunity to cure, which will in no event be less than 90 days from the date of our receipt of the notice. Your failure to give such notice will constitute a waiver of your right to terminate on the basis of such breach.

5.2.1.2 You may terminate this Agreement without cause and without penalty, upon at least six months' notice to us, with such termination being effective at any time after this Agreement has been in effect for at least five years.

5.2.2 *Liquidated Damages.* You acknowledge and agree that if you terminate this Agreement without cause contrary to the terms of Section 5.2.1 or otherwise abandon your Franchised Business, we will incur damages, the actual amount of which would be speculative and difficult to calculate. As such, you agree to pay us, within 30 days after the effective date of such unauthorized termination or abandonment, in addition to royalties and all other amounts then owed to us under the Agreement, the agreed upon liquidated damages amount, which shall be calculated by determining the average monthly Royalty paid to us in the immediately preceding 12 full calendar months or such fewer number of months as the Royalty will have been payable in accordance with Section 2.1.2 (the "Average Royalty"), and multiplying the Average Royalty by 24 months or such fewer number of months that may remain in the first five years of the term of this Agreement, but by no fewer than six months (even if termination occurs after the first five years of the term) or, if less, the number of months remaining in the term of this Agreement, and if applicable, adjusting the amount to account for the minimum monthly Royalty that would otherwise be payable pursuant to Section 2.1.2 during such 24-month period (or shorter period) following such unauthorized termination or abandonment (the "Liquidated Damages Amount"). You acknowledge that the Liquidated Damages Amount set forth herein is a fair and reasonable estimate of the foreseeable damages that we are likely to incur in light of the substantial time and expense that will be required to obtain a suitable replacement franchisee for the Territory.

5.2.3 *Termination by Us Upon Notice.* We may terminate this Agreement upon written notice to you with immediate effect if:

5.2.3.1 you or any of your company's owners have made any material misrepresentation or omission in connection with your application for and purchase of the franchise;

5.2.3.2 you or your Managing Owner fails to complete the initial training to our satisfaction in accordance with Section 1.5.2;

5.2.3.3 you fail to commence operation of the Franchised Business within the time required by Section 1.2.4;

5.2.3.4 you are more than ten days late in your payment of any amount due to us under this Agreement or to any of the suppliers of the Franchised Business and you fail to make such payment within five days after we will have notified you that such payment is past due;

5.2.3.5 you or any of your company's owners, managers, or employees use or disclose any Confidential Information in breach of Section 3.2 or compete with us in breach of Section 3.3.;

5.2.3.6 you or any of your company's owners, managers, or employees make any unauthorized use of the Marks or challenge or seek to challenge the validity of any of the Marks;

5.2.3.7 you fail to maintain the insurance we require and do not correct the failure within ten days after we deliver written notice of that failure to you;

5.2.3.8 you fail to allow our representative to inspect or observe the operations of the Franchised Business as described in Section 1.6.13;

5.2.3.9 you fail to remove any objectionable content posted to a social media website promptly after we request you to remove it pursuant to Section 1.7.7, or you block our ability to do so;

5.2.3.10 you knowingly maintain false books or records or submit to us a report that understates the Gross Sales of the Franchised Business three or more times during the term of this Agreement or by more than five percent on any one occasion;

5.2.3.11 you fail for a period of 15 days after notification by appropriate authority to comply with any other law or regulation applicable to the operation of the Franchised Business;

5.2.3.12 you or any of your company's owners effect or attempt to effect a Transfer without our approval and contrary to the provisions of Article IV;

5.2.3.13 in the event of your death or disability or the death or disability of an owner of your company, this Agreement or such owner's interest is not assigned as required by Article IV;

5.2.3.14 you or any of your company's owners are or have been convicted of, or plead or have pleaded guilty or no contest to, a felony or any other crime or offense, or engage in any dishonest, deceptive or unethical conduct that may, in our opinion, adversely affect the reputation of the Franchised Business, other Starz Program businesses or the goodwill associated with the Marks;

5.2.3.15 you fail to perform, once each year, a background check, including a criminal search, on each employee and instructor who works or will work with children;

5.2.3.16 you abandon the franchise by failing to operate the Franchised Business for 30 or more consecutive days during a school year;

5.2.3.17 you fail to pay when due any federal or state income, service, sales, withholding or other taxes due in connection with the operation of the Franchised Business, unless you are contesting your liability for such taxes in good faith or you have received an extension from the applicable government agency of the time within which to make such payments;

5.2.3.18 you commit three or more defaults under this Agreement in any period of 12 consecutive months, whether or not each such default has been cured after notice was delivered to you;

5.2.3.19 your assets, property or interests or those of any of your owners are blocked under any law, rule or regulation relating to terrorist activities;

5.2.3.20 you become insolvent, meaning unable to pay your bills in the ordinary course of business as they become due;

5.2.3.21 you or any of your affiliates default under any financing agreement or arrangement with any party advancing funds to you in connection with the operation of the Franchised Business or the operation of another business under a franchise agreement with us; or

5.2.3.22 any other Starz Program franchise agreement now or hereafter in effect between us and you or any of your affiliates is terminated with cause due to a breach by you or your affiliate.

5.2.4 *Termination After Cure Period.* Except as set forth in Section 5.2.3, you will have 30 days after receipt of written notice from us of a material default in which to remedy the default and provide evidence of that remedy to us. If any such default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time unless we notify you otherwise in writing.

5.2.5 *Relationship Laws.* Notwithstanding the provisions described in this Section 5.2, if any valid, applicable law or regulation limits our right to terminate this Agreement or requires different or longer notice periods than those set forth in this Agreement, this Section 5.2 is deemed amended to conform to the minimum notice periods or restrictions upon termination required by such law or regulation. We will not however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination of this Agreement.

Section 5.3 - Consequences of Termination

Upon the expiration of this Agreement or its termination for any reason:

5.3.1 all rights and licenses granted to you under this Agreement will immediately terminate;

5.3.2 you will remit to us or our affiliates, within 15 days of such expiration or termination, or on such later date that the amounts due to us and our affiliates are determined, such Royalties and interest due and all other amounts owed to us and our affiliates that are then unpaid, and you will submit to us any reports and other information you may be required to submit to us with respect to the operation of the Franchised Business up to the date of expiration or termination;

5.3.3 if applicable, you will promptly pay us the liquidated damages described in Section 5.2.2;

5.3.4 you will deliver to us, within 15 days of such expiration or termination, a complete list of all customers of the Franchised Business and the names of the schools in which the Franchised Business is then operating, current as of the effective date of termination or expiration, including the name, address, telephone number and email address of each customer, as well as historical information for the three-year period before such expiration or termination;

5.3.5 you will cease to use the Marks and the System Standards in any way, and cease referring to or identifying yourself as a Starz Program franchisee;

5.3.6 you will take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or domain name registrations that include any of the Marks or any trademark similar to a Mark;

5.3.7 you will promptly return to us or deliver to us or otherwise dispose of as we may instruct, the Manuals, and all supplemental materials, amendments, revisions and copies of the Manuals (including copies stored electronically), as well as all other Confidential Information and all copies of such information in your possession or under your control, and all printed materials containing any Mark, and you will remove and destroy all copies from your computers and other electronic storage media, and you will allow us, without liability to you or to third parties, to remove all such items from the Franchised Business; and

5.3.8 you will assign to us or our designee all of your right, title and interest in and to your telephone numbers, websites, domain names and meta tags associated with the Franchised Business (the "Listings") and you will notify the telephone company and all listing agencies of the termination or expiration of your right to use any of the Listings, and that you authorize the transfer of the Listings to us or our designee.

ARTICLE VI - REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; INSURANCE

Section 6.1 - Representations and Warranties

6.1.1 *Your Representations.* You represent and warrant as follows:

6.1.1.1 YOU HAVE NOT RELIED ON ANY PROMISES, REPRESENTATIONS OR AGREEMENTS NOT EXPRESSLY CONTAINED IN THIS AGREEMENT OR THE STARZ PROGRAM FRANCHISE DISCLOSURE DOCUMENT IN MAKING YOUR DECISION TO SIGN THIS AGREEMENT. YOU HAVE NOT RECEIVED FROM US OR OUR REPRESENTATIVES ANY PROMISES, REPRESENTATIONS OR WARRANTIES, ORAL OR WRITTEN, OTHER THAN THOSE THAT ARE EXPRESSLY CONTAINED IN THIS AGREEMENT AND THE STARZ PROGRAM FRANCHISE DISCLOSURE DOCUMENT. WE EXPRESSLY DISCLAIM MAKING ANY REPRESENTATION OR WARRANTY THAT IS CONTRARY TO THE CONTENTS OF THIS AGREEMENT OR THE STARZ PROGRAM FRANCHISE DISCLOSURE DOCUMENT.

6.1.1.2 YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT, AND YOU RECOGNIZE THAT, LIKE ANY OTHER BUSINESS, AN INVESTMENT IN A STARZ PROGRAM FRANCHISE INVOLVES BUSINESS RISKS AND THAT YOUR ABILITIES AND EFFORTS ARE VITAL TO THE SUCCESS OF THE VENTURE.

6.1.1.3 YOU RECEIVED THE STARZ PROGRAM FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS (AND 10 BUSINESS DAYS) BEFORE THE EARLIER OF THE DATE ON WHICH YOU (I) SIGNED THIS AGREEMENT OR ANY RELATED AGREEMENT OR (II) PAID ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF A STARZ PROGRAM FRANCHISE.

6.1.1.4 YOU HAVE READ AND UNDERSTOOD THIS AGREEMENT AND HAVE HAD AMPLE OPPORTUNITY TO CONSULT WITH AN ATTORNEY AND OTHER ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT. YOU ACKNOWLEDGE THAT WE HAVE ADVISED YOU TO HAVE THIS AGREEMENT REVIEWED AND EXPLAINED TO YOU BY AN ATTORNEY.

6.1.1.5 ALL STATEMENTS YOU AND YOUR COMPANY'S OWNERS YOU HAVE MADE AND ALL MATERIALS YOU HAVE SUBMITTED TO US IN CONNECTION WITH YOUR APPLICATION FOR AND PURCHASE OF THE FRANCHISE ARE ACCURATE AND COMPLETE AND, IN THAT CONNECTION, YOU AND YOUR COMPANY'S OWNERS HAVE MADE NO MISREPRESENTATIONS TO US OR OMITTED DISCLOSING ANY MATERIAL INFORMATION TO US.

6.1.1.6 YOU ARE UNDER NO OBLIGATION OR RESTRICTION, NOR WILL YOU ASSUME ANY OBLIGATION OR RESTRICTION, THAT WOULD IN ANY WAY INTERFERE OR BE INCONSISTENT WITH, OR PRESENT A CONFLICT OF INTEREST CONCERNING, YOUR RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT.

6.1.1.7 SCHEDULE 2 COMPLETELY AND ACCURATELY DESCRIBES ALL OF YOUR COMPANY'S OWNERS, DIRECTORS, OFFICERS, MEMBERS, PARTNERS AND MANAGERS AND THEIR OWNERSHIP INTERESTS AND MANAGEMENT POSITIONS IN YOUR COMPANY.

6.1.2 *Your Representations as an Entity.* If your company is a corporation or limited liability company, you further represent and warrant as follows:

6.1.2.1 Your company is duly organized or formed and in good standing under the laws of the state of its formation.

6.1.2.2 Your company has the power and authority to enter into this Agreement and to perform its obligations under this Agreement.

6.1.2.3 Your company's organizational documents, operating agreement or shareholders agreement will recite that the issuance and transfer of your company's ownership interests are restricted by the terms of this Agreement, and all certificates and other documents representing your company's ownership interests will bear a legend referring to the restrictions of this Agreement.

6.1.3 *Your Compliance with Laws.* You agree to comply with all applicable laws in the ownership and operation of this franchise.

Section 6.2 - Indemnification

6.2.1 *Your Indemnity.* You will defend and indemnify and hold us and our affiliates, and the members, managers, stockholders, directors, officers, employees, contractors and agents of our company and our affiliates, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements, directly or indirectly relating to: (i) the failure of any of your representations, warranties or covenants set forth in this Agreement, or (ii) any act or omission of yours or anyone associated with or employed by or affiliated with you. We will have the right to participate in the defense, with counsel of our own choice and at our own expense, of any action that may give rise to your obligation to indemnify, and to reject any settlement that might adversely affect us.

Section 6.3 – Insurance.

6.3.1 *Insuring the Franchised Business.* During the term of this Agreement and any renewal, you will obtain and maintain, at your own expense, such insurance as may be required by law or by the Manuals. At a minimum, you will maintain broad form comprehensive general liability coverage with limits of not less than $1,000,000 per occurrence and in the aggregate and a deductible of no more than $5,000. Such insurance must name us as additional insured. The insurance must be primary coverage without right of contribution from any other insurance of ours. We may, from time to time and in our sole discretion, make such changes in minimum policy limits and endorsements as we may determine, provided that all changes will apply to all of our franchisees that are similarly situated.

6.3.2 *Certificates of Insurance.* On or before the date of this Agreement and at least ten days before you are first required to carry any additional insurance, and thereafter at least thirty days before the expiration of any policy, you will deliver to us a certificate of insurance evidencing your compliance with this Section 6.3. Each certificate of insurance must expressly provide that we must receive at least thirty days' prior written notice in the event of material alteration to or cancellation or non-renewal of any coverage evidenced by the certificate.

6.3.3 *Our Remedies.* If you fail to obtain or maintain the required insurance in accordance with this Section 6.3, we or our designee will each have the right and authority (but not the obligation) to obtain such insurance on your behalf. Such right will be in addition to and not in lieu of any other rights or remedies available to us. If we obtain such insurance on your behalf, we may require you to pay us the charges described in Section 2.1.5.5.

6.3.4 *No Effect on Indemnity.* Nothing in this Section 6.3 will relieve you of liability under the indemnity provisions in Section 6.2.

ARTICLE VII - MISCELLANEOUS

Section 7.1 – Relationship of the Parties.

You are an independent contractor and not an agent of ours. You will have no power or authority to make any commitment or enter into any contract or agreement obligating or purporting to obligate us, and you will not hold yourself out as having such power or authority. Nothing in this Agreement creates a fiduciary relationship between us. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, your employees and others as the owner of an independent business under a franchise from us and to place such notices of independent ownership on your invoices, business cards, stationery, advertising and such other materials as we may require from time to time.

Section 7.2 – Reasonable Business Judgment.

You acknowledge that the long-term interests of the network of Starz Program businesses, the brand and our company and its owners, taken together, require that we have the latitude to make business decisions with respect to the franchise system. The ultimate responsibility to make decisions with respect to the franchise system and the System Standards is vested in us because we, you and all Starz Program franchisees have a collective interest in working within a franchise system that can quickly adjust to changing business conditions, including changes in the competitive environment, new laws and regulations, and emerging business opportunities. We have this right even if, at times, a particular decision adversely affects you. We will not be required to consider your particular economic or other circumstances or to disregard our own economic or other business interest when making decisions with respect to the Starz Program business and system.

Section 7.3 – Injunctive Relief.

You agree that we have the right in a proper case to seek injunctive relief from a court of competent jurisdiction without posting bond.

Section 7.4 – Severability.

If any restrictive covenant in this Agreement is held to be invalid or unenforceable because its duration is too long or its scope is too broad, you and we agree that the court making such determination will have the power to reduce the duration or scope in such a manner that the remaining revised covenant will be valid and enforceable. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is prohibited by or invalid under applicable law, such

prohibition or invalidity will not invalidate the remainder of such provision or the other provisions of this Agreement.

Section 7.5 – No Waiver of Rights.

No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default.

Section 7.6 – Notices.

All notices, requests, consents and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, overnight delivery service, or registered or certified first class mail, to the following address, or such other address as either party, by like notice, designates with respect to its own address:

If to us:	Starz Program Worldwide LLC 10307 W. Broad St., #121 Richmond, VA 23060
If to you:	The address indicated in Schedule 2

Any such notice, request, consent or other communication will be deemed given and be effective upon receipt at such address.

Section 7.7 – Affiliates.

As used in this Agreement, the term "affiliate" of party means a company directly or indirectly controlling, controlled by or under common control with such party. "Control" of another company, as used in this Agreement, means the ownership of or the power to vote, directly or indirectly through majority-owned companies, more than 50% of the voting stock or voting rights of such other company.

Section 7.8 – Limitation of Actions.

You agree to bring any claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims") against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

Section 7.9 – Waiver of Punitive Damages and Jury Trial.

Except for your obligation to indemnify us for third party claims under Section 6.2, we and you each waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other party. We and you irrevocably waive trial by jury in any action, proceeding or counterclaim brought by either of us.

Section 7.10 – Governing Law.

This Agreement is effective upon its acceptance in Virginia by our authorized officer. Except as to claims governed by federal law, Virginia law governs all Claims. However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

Section 7.11 – Mediation and Arbitration.

Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we can not mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county where our headquarters is located, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

Section 7.12 – Jurisdiction and Venue.

You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Richmond, Virginia. However, if you are an Illinois resident or your franchise territory is located in Illinois, you agree to bring any Claims, if at all, solely in arbitration before the American Arbitration Association in the city or county where our corporate headquarters are located.

Section 7.13 – Costs and Expenses.

If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

Section 7.14 – Entire Agreement.

This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you before the date of this Agreement. Except for changes permitted under this Agreement to be made unilaterally by us, no amendment to this Agreement will be binding unless such amendment is in writing and executed by the parties.

[signature page follows]

STARZ PROGRAM WORLDWIDE LLC [Franchisee]

By _____ By _____

Name Sophia Wastler Name _____

Title Managing Member Title _____

Date _____

SCHEDULE 1

SEE SECTIONS 1.1.1 AND 1.1.2 OF THE FRANCHISE AGREEMENT

TERRITORY

The Territory described below consists of _____ [insert 1 or 2] territory unit[s].

Changes in population during the term of the franchise agreement will not change the boundaries of a unit territory.

SCHEDULE 2

SEE SECTIONS 1.1.6, 1.5.1, 2.1.1, 6.1.1.7 AND 7.6 OF THE FRANCHISE AGREEMENT

FRANCHISEE INFORMATION

1. Franchisee address:

Indicate office address (the "Site") and address for notice if different.

2. Initial fee: _____ (The initial fee for one mobile territory is $39,000. The initial fee for any additional mobile territory is additional $22,000. You may purchase up to four territories. The initial fee for one Independent Location is $25,000)

3. Agreement expiration date: _____

4. Managing Owner: _____

5. Ownership and management of the franchisee. The franchisee is *[check one]*

_____ an individual
_____ a corporation State of incorporation: _____
_____ a limited liability company State of formation: _____
_____ a partnership
_____ other Explain: _____

The following persons are the owners and managers of the Franchisee:

Name & Address	*Office (or LLC manager)*	*Director, partner or LLC member*	*Percentage Ownership*
_____	_____	_____	_____
_____			
_____			
_____	_____	_____	_____
_____			
_____			
_____	_____	_____	_____
_____			
_____			

Insert additional page if necessary

SCHEDULE 3

STARZ PROGRAM

Guaranty and Assumption of Obligations

In order to induce STARZ PROGRAM WORLDWIDE LLC, a Virginia limited liability company (the "Franchisor") to enter into a Starz Program franchise agreement dated as of _____ (the "Franchise Agreement") with _____, a _____ (the "Franchisee") for a Starz Program franchise located in _____, each of the undersigned persons (each a "Guarantor" and collectively "Guarantors"), jointly, individually and severally, agrees as follows:

1. ***Guaranty of Payment***

1.1 *Personal Guaranty.* Each Guarantor personally and unconditionally guarantees to the Franchisor and the Franchisor's successors and assigns the due, punctual and complete payment of all amounts that the Franchisee is obligated to pay to the Franchisor under the Franchise Agreement and under any modification of, amendment to or renewal of the Franchise Agreement.

1.2 *Waiver of Defenses.* Each Guarantor waives to the fullest extent permitted by law (a) any defense based upon any (i) legal disability or lack of authority of the Franchisee, (ii) legal or equitable discharge or limitation of the liability of the Franchisee, whether consensual or arising by operation of law, (iii) bankruptcy, insolvency, reorganization or other similar proceeding affecting a Guarantor or the Franchisee, or (iv) invalidity, irregularity or unenforceability of any or all of the provisions of this Guaranty or the Franchise Agreement; (b) presentment, demand, protest or notice of any other kind; (c) notice of acceptance of this Guaranty; (d) other defenses available to a Guarantor under applicable law; or (e) any requirement of diligence on the part of the Franchisor or any right a Guarantor may have to require the Franchisor to proceed first against the Franchisee.

1.3 *Guaranty of Payment.* This is a guaranty of payment and not of collection. The Franchisor may require payment from each Guarantor of any obligation of the Franchisee under the Franchise Agreement and may sue each Guarantor for damages without first seeking or taking any action against the Franchisee.

1.4 *No Modification or Release.* The liability of each Guarantor is unaffected by (a) any modification, amendment, termination or variation in or addition to the Franchise Agreement; (b) any extension of time for performance or any waiver of performance or any delay of the Franchisor in enforcing any right, remedy, power or privilege that the Franchisor may have against the Franchisee or any other person; (c) the release of the Franchisee, in whole or in part, from performance or observance of any of the agreements, covenants, terms or conditions contained in the Franchise Agreement, whether made with or without notice to Guarantor; or (d) any other guaranty now or

hereafter executed by anyone else in connection with the transactions contemplated by the Franchise Agreement.

1.5 *Costs.* In the event this Guaranty is placed in the hands of an attorney for enforcement and the Franchisor is the prevailing party, the Guarantors will reimburse the Franchisor for all reasonable expenses incurred in the enforcement of the Franchisor's rights hereunder, including reasonable attorneys' fees and expenses.

2. ***Proprietary Rights; Confidentiality; Noncompetition***

2.1 *Improvements.* Each Guarantor agrees that if he or she makes an improvement to the Franchisor's business system or method, such improvement will be the property of the Franchisor pursuant to the terms of Section 1.4.3 of the Franchise Agreement and the Guarantor will promptly disclose such improvement to the Franchisee and to the Franchisor with reference to this undertaking. The Guarantor hereby assigns all rights in such improvements to the Franchisor and agrees to sign any documents that the Franchisor may reasonably request from time to time to evidence such assignment.

2.2 *Copyrights and Trademarks.* Each Guarantor acknowledges that the Franchisor's copyrights and trademarks may only be used by the Franchisee in accordance with Section 3.1 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.1 and not to use any of the Franchisor's copyrights or trademarks except on behalf of the Franchisee in furtherance of the Franchisee's business, and each Guarantor agrees that any such use will be in compliance the Franchisee's obligations under the Franchise Agreement as if the Guarantor were the Franchisee under the Franchise Agreement.

2.3 *Confidentiality.* Each Guarantor acknowledges the Franchisee's obligations of confidentiality under Section 3.2 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.2 and not to disclose or use any Confidential Information (as defined in Section 3.2.1 of the Franchise Agreement) except on behalf of the Franchisee in furtherance of the Franchisee's business in compliance the Franchisee's obligations under the Franchise Agreement, and only to the extent that the Franchisee is permitted under the Franchise Agreement to disclose and use Confidential Information. Upon the request of the Franchisor, the Guarantor will promptly return to the Franchisor all Confidential Information and all copies in the Guarantor's possession or under the Guarantor's control, and the Guarantor will destroy all copies on the Guarantor's computers, disks and other digital storage devices.

2.4 *Noncompetition.* Each Guarantor acknowledges the Franchisee's obligations under Section 3.3 of the Franchise Agreement not to compete with the Franchisor. Each Guarantor personally agrees to comply with and be bound by all of the Franchisee's obligations under Section 3.3 to the same extent that the Franchisee is bound by the obligations of Section 3.3, both during and after the term of the Franchise Agreement.

2.5 *Remedies.* Each Guarantor acknowledges that if such Guarantor fails to comply strictly with any of the undertakings in Sections 2.1 through 2.4, the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction. In the event that the Franchisor prevails in any such litigation, the Guarantor will reimburse the Franchisor for all costs, attorneys' fees and other expenses incurred by the Franchisor in connection with such litigation.

3. ***Transfer***

3.1 *Transfer by the Franchisor.* If the Franchisor transfers its rights and obligations under the Franchise Agreement pursuant to Section 4.1 of the Franchise Agreement, this Guaranty will be deemed to be transferred automatically to the transferee who, upon such transfer, will have all of the rights granted to the Franchisor under this Guaranty vis-a-vis the Guarantors, and the obligations of the Guarantors will then accrue to the benefit of the transferee.

3.2 *Transfer by the Franchisee*. Each Guarantor acknowledges the Franchisee's transfer restrictions under Sections 4.2 and 4.3 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Sections 4.2 and 4.3.

4. ***Miscellaneous***

4.1 *Notices.* All notices and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, fax, overnight delivery service, or registered or certified first class mail, to the then-current address of the Guarantor known by the sender. Any such notice or other communication will be deemed given and be effective upon receipt at such address.

4.2 *Waiver.* No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy.

4.3 *Governing Law.* This Guaranty and Assumption of Obligations will be governed by and construed in accordance with the laws of the Commonwealth of Virginia applicable to agreements made and to be performed entirely within the Commonwealth of Virginia, without regard to that state's conflict of laws principles.

4.4 *Amendments.* This Guaranty and Assumption of Obligations may not be modified or amended except in writing signed by the Franchisor and the Guarantor to be bound by such modification or amendment. No waiver or discharge will be valid unless in writing and approved by the Franchisor.

[signature page follows]

IN WITNESS WHEREOF, each Guarantor has signed this Guaranty as of the date of the Franchise Agreement.

_____	_____
Signature	Print Name
_____	_____
Signature	Print Name
_____	_____
Signature	Print Name

Acknowledged and agreed:

STARZ PROGRAM WORLDWIDE LLC

By _____

Name Sophia Wastler

Title Managing Member

Date _____

SCHEDULE 4

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

Franchisee:

Franchise Territory:

Date of Franchise Agreement:

The franchisee named above hereby authorizes Starz Program Worldwide LLC, a Virginia limited liability company, and its affiliates, to debit the credit card or bank account identified above in order to pay all fees and other amounts owed pursuant to the terms of the Franchise Agreement with the date indicated above between Starz Program Worldwide LLC and the franchisee and any other agreement between the franchisee and Starz Program Worldwide LLC or any of its affiliates, including interest and late fees; and, if necessary, to initiate adjustments for any transactions debited in error. These debits relate to the operation of a franchised business and the amount of each debit will vary from month to month.

Bank Name

Address of Bank

Account Name

Address of account holder

Account number

Routing number

Type of Account: (checking or savings)

Authorized signature: _____

Print name and date: _____

SCHEDULE 5

STATE ADDENDA TO THE FRANCHISE AGREEMENT

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until such time as the franchisor completes its pre-opening obligations under the Franchise Agreement.

2. Notwithstanding anything to the contrary contained in the Franchise Agreement, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within three years after the grant of the franchise.

3. The general release required as a condition of renewal, sale, assignment or other transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. No provision in the Franchise Agreement is intended nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. 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.

6. The Franchise Agreement is amended to delete Sections 6.1.1.1, 6.1.1.2 and 6.1.1.4 in their entirety.

STARZ PROGRAM WORLDWIDE LLC	[Franchisee]
By _____	By _____
Name Sophia Wastler	Name _____
Title Managing Member	Title _____
Date _____	

VIRGINIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

STARZ PROGRAM WORLDWIDE LLC

By _____

Name Sophia Wastler

Title Managing Member

Date _____

[Franchisee]

By _____

Name _____

Title _____

EXHIBIT G

CONSENT TO TRANSFER AGREEMENT

STARZ PROGRAM WORLDWIDE LLC

CONSENT TO TRANSFER AGREEMENT

AGREEMENT dated as of _____, by and among _____ ("Buyer"); _____ ("Seller"); and STARZ PROGRAM WORLDWIDE LLC, a Virginia limited liability company ("we", "us" or "Franchisor").

1. ***Purpose of this Agreement.*** Buyer entered into an agreement with Seller dated _____ (the "Purchase Agreement") to purchase from Seller the franchise rights and other assets pertaining to Seller's Starz Program franchise. Buyer and Seller understand that any transfer of the franchise rights described in the Franchise Agreement dated as of _____, between Franchisor and Seller (the "Franchise Agreement") requires our prior consent as a condition to such transfer, and requires that Buyer enter into a new franchise agreement with us. This Agreement is being signed before the closing described in the Purchase Agreement (the "Closing").

2. ***Conditional Consent to Transfer.*** We consent to the transfer of the franchise rights and other assets pursuant to the Purchase Agreement provided that all of the conditions described in Section 4.2.4 of the Franchise Agreement are satisfied, and provided further that the Closing occurs within 90 days from the date of this Agreement. If the Closing does not take place within this 90-day period, then any subsequent transfer will require a new consent from us.

3. ***Termination of the Franchise Agreement.*** At the Closing, Buyer will sign a new franchise agreement with us. Upon the signing of the new franchise agreement, the Franchise Agreement will terminate and all of Seller's rights under the Franchise Agreement will end.

4. ***Release.*** Seller hereby releases, discharges and holds harmless Franchisor and its past and present affiliated companies, successors, assignees and each of their past and present members, managers, directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the sale or operation of Seller's franchise during Seller's ownership, which Seller may have had, now has or may hereafter discover, whether known or unknown, foreseen or unforeseen.

5. ***Continuing Obligations.*** After the Closing, Seller and all persons who have signed personal guaranties of Seller's obligations to us will be relieved of all of their in-term obligations under their personal guaranties; provided, however, that Seller and the guarantors acknowledge that the transfer of the franchise from Seller to Buyer will not terminate their post-term obligations under the Franchise Agreement. These post-term obligations include the obligations not to disclose any of our confidential information and not to compete with us, as set forth in Sections 3.2 and 3.3 of the Franchise Agreement.

6. ***No Representations by the Franchisor.*** Buyer acknowledges that Buyer will purchase the franchise rights and other assets directly from Seller and that this transaction has not been effected by or through any of our efforts. In entering into the Purchase Agreement, Buyer and

Seller each acknowledge that they have not relied on any representation from us or any of our representatives other than the content of the current Starz Program franchise disclosure document, that they have had the opportunity to consult with their own financial, accounting and legal advisors, and that they have independently satisfied themselves that all of the terms and conditions of the sale and purchase, including, without limitation, the purchase price, are satisfactory and acceptable to them.

7. ***Entire Agreement.*** This Agreement constitutes the entire understanding of the parties and supersedes any prior oral or written agreements between the parties with respect to the subject matter hereof.

8. ***Governing Law.*** This Agreement will be governed by and construed in accordance with the laws of the state in which Seller's franchised business is located.

IN WITNESS WHEREOF, the parties have signed this Agreement below.

[Buyer] [Seller]

By _____ By _____

Name _____ Name _____

Title _____ Title _____

STARZ PROGRAM WORLDWIDE LLC

By _____

Name Sophia Wastler

Title Managing Member

Date _____

EXHIBIT H

GENERAL RELEASE

STARZ PROGRAM WORLDWIDE LLC

GENERAL RELEASE

THIS RELEASE is made and given by **[insert name of franchisee]**, ("Releasor") with reference to the following facts:

1. Releasor and STARZ PROGRAM WORLDWIDE LLC (Releasee) are parties to one or more franchise agreements.

2. The following consideration is given:

   _____ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

   _____ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

   _____ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

   _____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, officers, directors, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.

4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.

5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, 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.

6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment

Act, and the Washington Franchise Investment Protection Act.

7. Releasor agrees to comply with all of its applicable post-termination or post-transfer obligations (as the case may be) in the Franchise Agreement described above.

STARZ PROGRAM WORLDWIDE LLC [Franchisee]

By _____ By _____

Name Sophia Wastler Name _____

Title Managing Member Title _____

Date _____

EXHIBIT I
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
Maryland	Pending
Virginia	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 J

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 Starz Program Worldwide LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

The franchisor is Starz Program Worldwide LLC located at 10307 W. Broad St., #121, Richmond, VA 23060. Its telephone number is (877) 897-8279.

Issuance Date: January 30, 2025 as amended October 1, 2025

The name, principal business address and telephone number of each seller offering the franchise is indicated below:

Name	*Address*	*Telephone Number*
Sophia Wastler	10307 W. Broad St., #121, Richmond, VA 23060	1-877-897-8279
Sarah Farmer	412 Lynchell Place, Henrico, VA 23238	1-310-801-1438
Allie Adamson	1109 Little Neck Road, Virginia Beach VA 23452	1-864-914-9095

Other: _____ _____

I have received Starz Program franchise disclosure document dated January 30, 2025 as amended October 1, 2025 that included the following Exhibits:

A. State Addenda to the Disclosure Document
B. State Administrators and Agents for Service of Process
C. List of Franchisees
   1. Franchisees
   2. Former Franchisees
D. Financial Statements
E. Table of Contents of Manual
F. Franchise Agreement
   Schedule 1 - Territory
   Schedule 2 – Franchisee Information
   Schedule 3 – Guaranty
   Schedule 4 – Electronic Funds Transfer Authorization
   Schedule 5 – State Addenda to the Franchise Agreement
G. Consent to Transfer Agreement
H. General Release
I. State Effective Dates
J. Receipts

Proposed location:

_____

_____
Company Name

By _____
Signature

Title _____

Date _____

Please date, sign, and retain this copy for your records.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

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G. Consent to Transfer Agreement
H. General Release
I. State Effective Dates
J. Receipts

Proposed location:

_____

_____
Company Name

By _____
Signature

Please sign, date and return this receipt to:

Starz Program Worldwide LLC
10307 W. Broad St., #121
Richmond, VA 23060
contact@StarzProgram.com

Title _____

Date _____